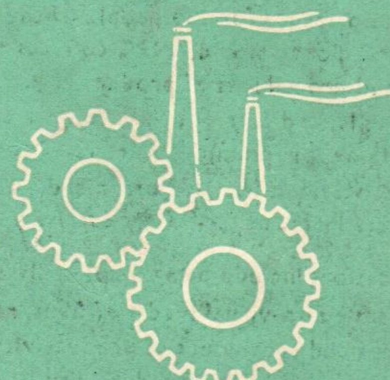
PRODUCTIVITY

JOURNAL OF NPC



Special Issue on

Management Development

NATIONAL PRODUCTIVITY COUNCIL INDI

NATIONAL PRODUCTIVITY COUNCIL

The National Productivity Council is an autonomous organisation registered as a Society. Representatives of Government, employers, workers and various other interests participate in its working. Established in 1958, the Council conducts its activities in collaboration with institutions and organisations interested in the Productivity drive. Local Productivity Councils have been and are being established in industrial centres.

The purpose of NPC is to stimulate productivity consciousness in the country and to provide services with a view to maximising the utilisation of available resources of men, machines, materials and power; to wage war against waste; to help secure for the people of the country a better and higher standard of living. To this end, NPC collects and disseminates information about techniques and procedures of productivity. In collaboration with Local Productivity Councils and various institutions and organisations it organises and conducts training programmes for various levels of management in the subjects of productivity. It has also organised an Advisory Service for industries to facilitate the introduction of productivity techniques.

NPC publications include pamphlets, leaflets and Reports of Productivity Teams. NPC utilises audio-visual media of films, radio and exhibitions for propagating the concept and techniques of productivity. Through these media NPC seeks to carry the message of productivity and to create the appropriate climate for increasing national productivity. This Journal is an effort in the same direction.

The Journal bears a nominal price of Rs 1.50 per issue and is available at all NPC offices. Annual subscription (Rs 9.00 to be sent by cheque in favour of National Productivity Council, New Delhi) is inclusive of postage!

Opinions expressed in signed articles are those of the authors and do not necessarily reflect the views of NPC.

PRODUCTIVITY

JOURNAL OF NPC

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"I want to lay stress on the fact that higher techniques must always be aimed at, and that the moment we give up that aim we accept a position of inferiority in the world. Not only that, our freedom itself might be threatened if we use lower techniques while the world uses higher techniques. Even so, I would say that in thinking of those higher techniques we shall always have to remember our social problems. Techniques cannot be imposed from outside, they have to grow. India is now being industrialised and will, no doubt, be more and more industrialised. I welcome it, but industrialisation is not just an odd placing of, let us say, a high-grade factory in the middle of a desert. With the high-grade factory must grow, within the country, the technical personnel and the machinery it needs. . ."

"In the final analysis, our future progress depends upon greater production, whether it is in agriculture or industry. This involves not only hard work, but better methods of work and employment, wherever possible, of higher techniques of production."

Jawaharlal Nehru

Management Development and Productivity

IN any programme of planned industrial progress, management development enjoys a pride of place. Without a rational and carefully designed management development plan, neither productivity nor industry can expect to make much headway.

In India, where economic development has yet to reach the *take off* stage, management development has a special importance. As we go ahead with our five-year plans and our programmes of increasing productivity, competent managers, more than anything else, will determine the pace and performance of these challenging plans and programmes.

Management development is essentially a post-war phenomenon—at least in the sense of a more or less formalised plan. The upsurge of interest and activity relating to this programme in India may be traced in the growth in size of industrial units, the complexity of manufacturing process, changing technology and its impact on industry, new social climate with increasing labour consciousness of its rights and obligations, forces of competition, obligations to the community and society, and the increasing need of separation of management enterprise from ownership.

With the beginning of the twentieth century, our management got mixed up with ownership of capital. The maxim of paying the pipe and calling the tune governed the relations between the capital and the management. This inter-link between the two became somewhat inevitable due to inadequacy of indigenous capital and the growth of managing agency system in India. The profit-earning capacity of an undertaking was the principal criterion of assessment of management efficiency. Management, as a science, could not develop adequately.

Following the impact of the industrial revolution of the West coupled with the growing insistence of the worker, modern management has tended gradually to developing towards scientific management. The rate of business mortality in the past, indicative of untrained management personnel, also largely contributed to a change in this outlook. It came to be recognised that every element of society had, per force, to be geared to function in the most efficient way in order to produce the maximum national income. Abrupt failure of private concerns was no longer overlooked as individual loss or inefficiency, but treated as a national loss. The traditional pattern of management linked with ownership and hereditary control of business, passing from father to son, has consequently come to be considered as an anachronism today when the industrial world is changing so fast and the wave of a second industrial revolution brought about by the application of productivity techniques in almost all spheres of man's life is sweeping over the country.

This has brought to the fore the imperative need for well-trained personnel in various levels of management. With the growth of the size of an undertaking, the task of keeping men together, that is to build an organisation of men who could be teamed to achieve the objectives without waste, has become one of the paramount functions of modern management. The principle has been best illustrated in the statement made by a top American executive who said : "I do not know the various intricacies of production management, but I know the men who manage the show".

This statement highlights the central aspect of management—the leadership. Basically, development is total growth not only in intellect, skill and behaviour, but also in the ability to make explicit ethically and philosophically the basis for action. This growth is at least as vital to our top executive echelons as it is for middle and lower management. We have to realise that organisational structure and philosophy can either prohibit, impede, or accelerate such growth, depending on the kinds and degrees of control that are exercised. Executive policy and practice will be copied, consciously and unconsciously, throughout the organisation, and if this behaviour is essentially faulty, no number of development programmes for lower levels of management can mitigate its influence. Critical judgment coming from a superior can create feelings of anxiety and hostility just as a sympathetic handling of the situation with understanding can energise people into greater action. A critical judgment, no doubt, brings about limited change, but it may also bring many side effects that are undesirable as they are unexpected—including such well known manifestations of internal unrest as absenteeism, tardiness, backbiting, and, of course, in extreme cases, bitter departures.

An organisation is not a static thing. It outlives the entrepreneur and the men who manage it from time to time, grows in stature through years and ultimately becomes a strong edifice which can withstand the vicissitudes of economic fluctuations. The technique of Management Audit has, therefore, been developed with a view to ensuring healthy growth of the various organs which constitute an undertaking. Management Audit does not only take into account the sales turnover every year, but also examines to what extent the forecast earlier determined by the management compares with the actual performance of the year. The personnel quality is likewise examined not merely in the light of the happy relationship that subsists between the employer and the employee, but also the average age of the employees, the salary structure and the rate of staff turnover, which are indicative of the inherent qualities of personnel management function. In other words, Management Audit reflects the performance of management in all spheres of industrial activities as compared to the objectives laid for the year.

This brings us to the real essence of management function, namely, decision-making. The difference between good and bad management is not necessarily determined by the profit it is able to earn, but the nature and quantum of correct business decisions made by the management. If the decision-making process is perfect, an undertaking is assured of continuity and steady growth as compared to haphazard manner of growth of a company where decisions are made on hunches—a common management feature in some of the enterprises in India.

The need for management development, therefore, is not limited to training of a few top management in the *tricks of the trade*, but it is to set up a pattern of management development within an undertaking for supervisory personnel, so that they are equipped with the fundamental principles, concept and philosophy of management before they are entrusted with the responsibility of supervising or taking even small decisions.

Management is indeed a difficult science, and a good manager must have both experience and training. A good deal depends on the type of learning experiences that are provided. If growth is, at least in part, the liberation of the individual's latent capabilities, the management must provide means by which this liberation can take place. Rigid policies, detailed procedures, voluminous reporting systems, and similar control concepts can be unnecessarily restricting, and many of them can well be reduced or eliminated without endangering the profit position of the organisation. Unfortunately, however, many present day management development programmes are yet inappropriate, inadequate and in some cases economically wasteful. Too often, companies seem ready to get on the bandwagon without first thinking as to where they want it to take them. Arbitrarily, they establish some kind of course in assorted subjects deemed useful to the budding executive and provide voluminous reading lists of books. In the context of the speed of industrial development, it is essential for the manager to be fully and appropriately trained in the techniques of managing men, material and money so that nation's economy could be fully harnessed to produce maximum national income. Unless we have trained managers to control the complex industrial machinery, to coordinate the fluctuating demands of men, materials and money, the production schedule is not expected to go very high.

But above all, we must have the appropriate climate for management development. While it has been recognised that development must be self-development, something must inspire the process. Development has to be stimulated by providing the catalysts that are conducive to industrial growth. Men do not grow, nor do they feel inclined to grow, while under surveillance. The climate of growth must, of necessity, be a permissive climate, in the sense that men are comparatively free to experiment without being too rigidly circumscribed by rules, regulations, policy and procedure. It is a climate in which a certain number of mistakes are not only tolerated but expected, on the assumption that some mistakes are essential to progress.

In sum, a philosophy and proper concept of management, the assignment of right duties and responsibilities of a manager, due consideration to human factors, self improvement and last but not the least, a correct leadership—these are essential ingredients that go to constitute the essence of a truly scientific management development programme.

With a view to focussing pointed attention of the industrial management to some of the problems facing them at present, the National Productivity Council has sponsored the first ILO Management Development Project in India. The first phase of the project—a four-week Advanced Management Programme for senior executives—was inaugurated at Bangalore in November. The second phase is a three-day Conference of industrial leaders which will be inaugurated by the Prime Minister Nehru in Delhi in December. This special issue of the NPC Journal on Management Development presents contributions relating to broad problems in the field from some of the recognised authorities on the subject in the hope that these will help stimulate the process of management development and pave the way to increasing industrial productivity.

Productivity and Management Development Programme of ILO

C R Wynne-Roberts*

A management development programme involves not only a wide field of training, embodying all aspects and functions of management: it also involves much less tangible things and is much more concerned with ideas and with the changing of attitudes on the part of everyone concerned in industry and especially those at the head of industry, whether public or private. This requires a much greater knowledge and understanding of the conditions of operation in the countries concerned and a deeper and wider understanding of the theory and practice of management in all its aspects. Before management development programmes can be successfully launched on a world-wide scale, some very basic thinking and planning has to be done and experts who will have to carry out the programme in different countries will require to be provided with more assistance and to be more fully briefed than has hitherto been considered necessary.

THE International Labour Office has reached a turning point in its work of technical assistance in raising the productivity and helping to improve the management of industrial undertakings, both public and private, in the developing countries of the world. This turning point is the initiation of the ILO's management development programme which has grown out of the already well established programme in the field of productivity improvement. The launching of this programme with the Advanced Management Programme at Bangalore in November of this year and the Conference for Indian Industrial Leaders which follows it in New Delhi in December represents the first stage of one of the most ambitious and certainly one of the most fascinating activities ever attempted in the industrial field. It is one which, if successful, will certainly have profound repercussions on the economic and industrial life of the countries with which it is concerned.

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Productivity Improvement and ILO Activity

The ILO has now been operating for over eight years in the field of technical assistance in improving industrial productivity. The first productivity mission under the United Nations Expanded Programme of Technical Assistance was launched in Israel with a single expert in 1952. It was followed by the first mission to India later in the same year. This mission, which consisted of five experts, gave demonstrations and ran courses in the textile and engineering industries in Bombay, Ahmedabad and Calcutta. Although the mission met with certain problems, especially in the textile industry, it was considered to have achieved sufficiently convincing results for the Government of India to set up a National Productivity Centre under the Ministry of Labour and Employment and to request a further mission.

The second mission reached India in the autumn of 1954 and since then there has always been an ILO productivity mission in India. The work of the first mission has become widely known through the circulation of the report issued on the completion of this mission early in 1954 which has been much quoted in recent years.

From 1954 onwards the number of mission has steadily increased. The United Arab Republic, Pakistan, Central America, Burma, Thailand, Sudan and Hong Kong are countries in which ILO missions under the Expanded Programme either have worked or are working at the present time.

All ILO missions—indeed, all the technical assistance missions of the United Nations—work for their own ultimate elimination, although this process may in practice take years to accomplish. It is their aim to transfer as quickly and as effectively as possible the knowledge of the international experts to nationals of the countries concerned in order that the latter may continue to spread this knowledge to their countrymen. For this reason the productivity missions are generally attached to national productivity centre—in India the National Productivity Council—or some equivalent body. If no such body exists in the country at the inception of the mission, efforts are made to have such a body established. Because the ILO is an organisation, on whose Governing Body and in whose Conference representatives of the workers sit on a basis of equality with those of employers, efforts are always made to involve the workers' organisations in any campaign to raise productivity in any particular country, since experience has shown everywhere that without the cooperation of the workers the achievement of any lasting increase in productivity is difficult, if not impossible.

The whole basis of the work of ILO productivity missions is to demonstrate and teach that productivity can be increased, often very substantially, without any increase in capital outlay, by making better use of the resources—machines, materials and the labour of the workers, especially of the skilled workers—which industry already has at its disposal. Since most ILO missions are operating in countries where there is substantial unemployment or under-employment of labour, and where there is generally a shortage of foreign currency for the purchase of machinery and many raw or semi-finished materials, the greatest emphasis is generally laid on achieving higher productivity through better utilisation of these first two resources rather than on higher labour productivity. The exception may be in the case of skilled labour, since this is often in very short supply. Thus redundancy is, as far as possible, avoided. In practice this is not only a sound policy from the human point of view and in line with the aims of the ILO but it is also sound economics, since it is generally true, especially in modern manufacturing industry, that the cost of raw materials and overheads is considerably greater than the cost of labour.

The basic technique used by ILO productivity missions is generally work study, accompanied as the work develops by the other techniques of industrial engineering such as production planning and control, quality control and costing. The reasons for the selection of work study as the initial technique demonstrated and taught are several.

Firstly, attempts are always made as early in the life of a mission as possible to do some practical demonstration of the raising of productivity within a plant, and work study, especially method study, can generally give rapid and even spectacular results.

Secondly, work study involves a systematic, step by step, approach to problems which is easy to teach and which offers an admirable mental discipline. Once this type of mental discipline has been achieved, it can be applied to most types of problem. It is true that this type of mental discipline is precisely that provided by a scientific or good technological training; it has, however, been proved many times and in many places that even the best trained scientists often seem unable to apply their scientific training to the resolution of problems of industrial operation and that a training in work study can be of the greatest benefit to them.

Thirdly, method study, in particular, is relatively easy to teach and those trained in it can begin almost immediately to produce good stood and learned by representatives of the workers as well as by members of the management and it thus facilitates a joint participation in the work of raising productivity.

Finally, it is something of a *surgeon's knife* which, once applied in the factory, reveals the shortcomings in the whole organisation which affect the original operation being studied and thus points the way to higher efficiency through.

Training in productivity

Training in work study and the other techniques of industrial engineering is generally given through the productivity centre or equivalent organisation to specialists drawn from the middle ranks of management with the object that they shall go back to their enterprises and apply their knowledge to improving productivity in them. Appreciation courses to provide a general understanding of the nature and aims of these techniques are generally given to top management-owners of companies, directors and general managers—and sometimes to other groups such as supervisors and workers' representatives in order that they shall be aware of what the specialists are learning, and thus be able to appreciate their work and further it on their return to their plants.

It becomes evident from a very early stage in the work of the missions that such appreciation courses were not enough as far as top management was concerned to ensure that the specialists so trained were allowed to use their training effectively in their enterprises. All too often it was found that, on their return, these trained men were put on to work which had little relation with their training and so their newly acquired skills were more or less lost to the undertaking. It began to be realised that, if the productivity and efficiency of an enterprise as a whole were to be permanently increased, a much more comprehensive development of senior management, which would enable them to see the problem of raising productivity within the context of the operation of the enterprise as a whole, was necessary. The first of the countries in which ILO productivity missions were working to start this management development was Israel, where some very good results were achieved. Increasingly, however, especially in the less industrialised countries, the missions found themselves involved in considering the management of enterprises as a whole as being inseparable from applying the basic productivity techniques.

Thus the work of the missions and of the national organisations to which they were attached began to broaden, often almost imperceptibly, to the point where they found themselves undertaking real management development.

Management development field

The position was formalised at the International Labour Conference of 1958 when a resolution put forward by the representative of the Government of India, supported by the Indian employers and workers' delegates, was passed by the Conference. This opened the way to the establishment of the Management Development Unit in the Economic Division of the ILO, which came into existence formally in July this year, although it has been operating in fact since the beginning of the year.

The work of the Unit is two-fold. On the one hand, it is responsible for the administration, including the technical administration of the ILO productivity missions in the field, which currently number fifteen and which may be expected to number about twenty within the next year. On the other, it is responsible for developing basic management development programmes, teaching materials and methods for the use of future missions in management development and for converting existing missions at present operating almost solely in the productivity field to combined productivity and management development missions. In the promotion of these more comprehensive missions, special impetus is being provided by the United Nations Special Fund which, from this point of view, has been established at a most timely moment.

The majority of productivity missions under the Expanded Programme of Technical Assistance of the United Nations are comparatively small. The largest, currently in the Egyptian Province of the United Arab Republic, contains only five experts; two is the average number per mission and some missions consists of a sole expert. Finances under this programme have not generally permitted larger missions in view of the many competing claims for the money available, nor has it hitherto been possible to plan on a long-term basis. The Special Fund makes good this deficiency by providing both larger allocations of money to specific projects and by providing it in a global sum to be spent over a specified number of years, generally between three and five. It is now possible for the first time to plan balanced management development and productivity improvement programmes, sometimes associated with supervisory and vocational training programmes, to be carried out over a period of years with the assurance that the governments concerned will also play their full parts in providing counterpart organisations to which these missions will be attached. One such programme, for which the ILO is the Executive Agency, is already operating in Poland; a second has just been launched in Argentina and a third is due to start at the beginning of next year in East Pakistan. Further integrated programmes of this type are being planned, some of which should become operative within the next twelve months.

ILO Management Development Unit

What, precisely, is the role of the Management Development Unit in developing programmes for these projects? How can such development programmes for different countries with very differing conditions of operation, differing cultures and differing degrees of industrial development and experience be designed in Geneva? What special qualifications has the ILO to do so?

These are quite legitimate questions. This field of work is a comparatively new one for the ILO, and the ideal methods of operation will have to be developed with the acquisition of experience, just as they do in any new field. The reason why it has been decided to embark on this programme in this manner is largely one of economic necessity. The management development programme introduces a change in kind in the type of training which the ILO is called upon to provide. As long as ILO productivity missions confined themselves to the teaching of a number of well-established and well-defined management techniques such as work study, production control and so on, it was possible to engage experts who were well qualified and experienced in the practice and application of these techniques and to send them into the field with the reasonable certainty that they would do a good job of training there, provided that they were properly briefed in what was required of them. This statement may be qualified, to some extent, but it is broadly true and the results achieved, while they have sometimes fallen short of our hopes and expectations, have, on the whole, justified this policy.

A management development programme, on the other hand, involves not only a much wider field of training, embodying all aspects and functions of management, it also involves much less tangible things and is much more concerned with ideas and with the changing of attitudes on the part of everyone concerned in industry and especially those at the head of industry, whether public or private. This requires a much greater knowledge and understanding of the conditions of operation in the countries concerned and a deeper and wider understanding of the theory and practice of management in all its aspects. It is believed at the ILO that before management development programmes can be successfully launched on a worldwide scale, some very basic thinking and planning has to be done and experts who will have to carry out the programme in different countries will require to be provided with more assistance and to be more fully briefed than has hitherto been considered necessary.

The Management Development Unit of the ILO does not claim any special competence in management development beyond that of other bodies operating the same field. What we do claim is that, as a result of the collective experience of our productivity missions, which embraces many countries in all parts of the world, and as a result of the extensive experience in the field of members of the Unit, we probably know more about the problems and operating conditions in developing countries than anyone else in this field and can thus adapt management theory and practice to suit these conditions. Further, we have, among our colleagues in the various Divisions of the ILO representatives of almost every country in the world whom we can consult on the conditions pertaining to their countries and on the orientation which should be given to the programmes which we are developing for them. This is a very great asset and one which is not shared to the same degree by any other organisation working in this field.

In speaking of the development of a basic programme it is not intended to suggest that experts taking part in management development projects should be provided with *packaged* course. Far from it. The intention is that experts going out to undertake a management development programme for the first time shall be provided with certain basic syllabuses, teaching materials, and methods which will enable them to start their programmes far earlier than would be the case if they were sent straight into the field and required to develop their own, it also provides them with something based on the experience already accumulated at the ILO. Thus a great deal of time will be saved in getting effective programmes into operation. Once established, members of management development mission will, however, be expected to modify and develop these programmes in the light of their growing knowledge and understanding of the requirements of the countries concerned and, in particular, through the use of locally acquired material for teaching purposes such as case studies drawn from local industry. The Management Development Unit will continue to service these missions with new materials and information regarding teaching methods and other developments made elsewhere, as well as providing a steady interchange of information on the work being done and developments being made by members of missions in other countries. In this way it is hoped to place the experience of all at the disposal of all and thus ensure the most effective and economical use of the funds and personnel available both at Geneva and in the field. It is worth being in mind that, even with the valuable assistance provided by the United Nations Special Fund, the means and, perhaps even more, the numbers of personnel available for this immense task are still quite inadequate. It is, therefore, important that all resources shall be exploited to the limit. This, after all, is what is meant by *productivity,* and higher productivity, like charity, should begin at home—within the organisation which claims to teach it.

A supporting programme

This field into which the ILO is embarking is still comparatively unknown, especially in relation to the adaptation of management theory and management techniques to the conditions obtaining in the developing countries. Indeed, management development, as it touches the practising manager or manager-to-be, is still very young, even in the most developed countries. The first courses in general management for practising managers were given in France by the Chamber of Commerce of Paris in the mid-thirties. The Harvard Business School, which had been teaching a post-graduate course for some decades did not put on its first Advanced Management Programme till 1942. Management development on a large scale was not undertaken in the United States until after World War II and is only now developing on a really large scale in Europe. Thus, even as far as the most advanced countries are concerned, there is still much to be done in the development of such programmes.

The Management Development Unit, which from 1961 will have its own budget, albeit quite a modest one to begin with, is embarking on a programme of research in the management field, especially in relation to the needs of the developing countries and the adaptation of management theory and techniques developed in the more advanced countries to those needs in order to make the translation of these techniques and of management theory into practice in these countries easier and more effective. The results of these researches which, it is hoped, will continue over a period of years and cover many aspects of management, will, of course, be used to modify and improve the programmes of management development and productivity improvement. Concurrently with these, the Unit will embark on a programme of publications dealing with different aspects and techniques of management of a type suitable for use in developing countries and capable of being translated into different languages.

It can thus be seen that the programme envisaged is a fully integrated one, ambitious in scope (although not, we hope, over-ambitious). It is one which, if it proved successful, will have most far-reaching results. It should, perhaps be added that it is not envisaged that the supporting services of the Management Development Unit to individual countries should cease on the withdrawal of the ILO Management development and productivity missions at the end of their terms. It is the intention to continue to supply the results of research and other information obtained or developed by the Unit to the national organisations if they want them, thus continuing to aid in their development and so, it is hoped, to provide a continuing service which will be of value to them.

The occasion for the appearance of this article is the Special Number of *Productivity*, the Journal of the National Productivity Council, in connection with the Advanced Management Programme and the Conference for Indian Industrial Leaders sponsored by the Council, in which the ILO is participating. The Advanced Management Programme, the first of its kind put on by the Management Development Unit of the ILO was held in Bangalore at the express request of the Indian Government. It has been designed for Indian conditions. Suitably modified, it will form the basis of future programmes of this type to be held in other countries in the world. By its generous invitation the Indian Government has shown great public-spiritedness and earned the gratitude of both the ILO and of those countries which will, in the future, benefit from management development programmes, of which this is the proto-type. This is a pioneer effort on the part of the ILO; we hope and believe it will bring benefit to those representatives of Indian management who take part in it. We know that it will provide the members of the faculty taking part in it with an unforgettable experience.

* * *

The great gains in Productivity according from the technique of management come not from greater exertion on the part of workers (it is generally simplified and reduced) but from elimination of wastes—waste of workers' time and machine time through delays of misapplied effort, of failure in coordination of quantities, and so forth.

—HARLOW S. PERSON

Social Attitudes and Productivity

P S LOKANATHAN

At the present time when the country is seeking to take a big stride forward and to attain, as early as possible, a take-off stage, a reorientation of our attitudes to increasing productivity may perhaps be singly the most determining factor in economic growth. What is required is a better understanding of the basis of higher productivity and the development of "Productivity consciousness." All classes must be convinced of the vital national need to increase the size of the cake through higher productivity. The attitudes of each of the major interests involved in productivity—the workers, the employers and the Government and the community in general must be adopted and oriented not only in the light of their appreciation of their own problems and needs but in the light of the attitudes of each to the others.

PRODUCTIVITY is essentially an attitude of the mind and is very much conditioned by the right kinds of social attitudes on the part of the workers, the employers, and the community as a whole. We should fully take into account the existing conditions and attitudes of the community and while retaining and strengthening those that have real value we should try to change the values and attitudes that are unfavourable to, and, are likely to hamper, the growth of productivity. We should try to build up a social theory and create social values suitable to the requirements of a fast growing economy in the process of transition from a folk and traditional society into a modern secular society.

The revolution of rising expectations which all of the under-developed countries in general and India also, are presently facing, will result in frustration and tragedy unless it is rightly guided and directed to constructive and fruitful efforts to mobilise all our resources, human and material, to the goal of high productivity.

Our struggle for independence was not merely for political ends; there was a large economic and social content in it. We sought independence not only as an end in itself, but as a means to end poverty and to bring about higher levels of living and also to promote justice and equality. We were bent upon creating a sort of Welfare State, wherein, all can have full employment, reasonable means of livelihood and social security. We wrote some of these ideals into our Constitution as goals to be achieved not in the distant future but as quickly as possible.

Some of the most important social ideas incorporated in our Constitution may be recalled here. Article 39 says:

"(a) That the citizens, men and women equally, have the right to an adequate means of livelihood;

(b) that the ownership and control of the material resources of the community are so distributed as best to subserve the common good;

(c) that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment;

(d) that the health and strength of workers, men and women, and the tender age of children are not abused and the citizens are not compelled by economic necessity to enter avocations unsuited to their age or strength;

(e) that childhood and youth are protected against exploitation and against moral and material abandonment."

Again Article 41 states:

> "The State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance......"

Under Article 43 it is enjoined upon the State to endeavour to secure all workers a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and cultural opportunities.

These objectives, it is true, are not justiciable, for there is no Court of Law that can enforce them. They have to be implemented by the adoption of certain practices and policies. Article 37 reads that "the provisions contained in this part, namely the Directive Principles of State Policy shall not be enforceable by any court, but the principles therein laid down are nevertheless fundamental in the governance of the country".

Unfortunately for us these goals have remained and will remain mere words unless we increase our productive capacity very rapidly and enable the community to attain an economic base strong enough to support a Welfare State. Unlike Western countries which gradually developed into Welfare States after they had already attained a reasonably high growth of their economy, we have sought to establish a Welfare State directly out of poverty. Quite frankly, under present conditions, it will be difficult, almost impossible, to build up a Welfare State. The question before us, therefore, is: are we going to give up our ideals of a Welfare State as being impossible of attainment or are we going to make a great effort to attain a rapid growth of the economy and increase national output, thereby enabling the community to derive benefits of a Welfare State? This then is the real issue before us, and the answer is clear, that we cannot afford to go back upon all that we have fought for and aimed at.

Another factor which leads us to the same conclusion is the fact that we are in the midst of a society which cherishes and sustains a number of wrong values in which *the new wealth* is not funnelling down to those who need it most and, no doubt, urgently. This is a perilous situation for when the masses try to find an interpretation of their poverty, there would be a danger to the economic system and the social order that supports it. So, we could be warned and act in time to implement the principles of social action already formulated in the Constitution.

The people see amidst them evidences of large wealth and prosperity among certain sections of the community. They have come to realise that poverty is not a necessary condition to be put up with, but can be ended and that by no code of ethics should some people be entitled to a standard of living out of proportion to the average national income. Even a conservative body like the Taxation Enquiry Commission refers to this as one of the serious disincentives to work. Such considerations have been further reinforced by the impact of the contact of people of India with richer countries and with their high levels of living. This has had a *demonstration effect* not only on prevailing consumption patterns but also on ideas, objectives and expectations. We have, therefore, no choice but to work for the building up of a Welfare State.

Productivity is an important means for the attainment of this objective. It provides the economic base for a Welfare State by promoting rapid development. The relationship between productivity and economic growth, however, is one of mutual inter-dependence. Rise in productivity results in economic growth which leads to not only a change in economic organization but also to a transformation of society. It involves a transmutation of beliefs, habits and institutions and the replacement of the old static social equilibrium by a new and dynamic equilibrium. Habits of work change the freedom of the peasant farm, gives way to the discipline of the factory; status, custom and social stability have to give way to contract competition and vertical mobility. These changes (apart from the more technical ones of mechanisation, industrialisation and capital accumulation) make a major impact on productivity. The relationship between economic growth and productivity is, thus, one of mutual reinforcement with social attitudes working as conveyors.

We are in the process of transforming a feudal and traditional society into a rational and modern economy. But our people—employers no less than workers, —the rural and urban communities, have had a long background with different cultural and social values. The modern industrial worker has his attitudes defined by his former place in the village, his membership in the joint family, his sense of social security and belonging to the family, his place in the family, soil and village particularly. Rural life provided him with leisure and freedom. It is against this rich social inheritance that his attitudes to work, to consumption and expenditure, and sharing of his income and to saving, and investment have been developed. Some are favourable to productivity, others are not. Even in respect of those attitudes which are broadly favourable to productivity, it may be found necessary to transform them and to transmute them into more appropriate modern attitudes. Let me illustrate a few of the above, more concretely. A person who has limited wants and whose standard of living is rather low will have a pretty narrow mental horizon. He has a set of fixed wants and when they are satisfied, he does not need more. Any increase in his earnings almost immediately resulted in less work and larger absenteeism. Monetary incentives fail to bring about positive work response. It should, therefore, cause no surprise if we hear the complaint that the coal miners with rural and tribal background are interested to earn a limited amount of money to enable them to meet their basic wants; if this can be secured by just three days work in the week they are content with it and absent themselves for the remaining days of the week. Many of our factory workers with their rural inheritance and background prefer to take longer spells of vacations whenever opportunities occur. But all this is nothing special or unique for India. Even the present highly developed countries have had similar experiences.

However, the fixed nature of wants is rapidly being replaced by a strong desire for a rising standard. The traditional pattern of wants is also being modified and modern commodities like bicycles, sunglasses, fountain pens are becoming an integral part of the life of the common man. The demand for education and for schools and colleges as well as the demand for hospitals and doctors so widely expressed in villages no less than in towns are the external evidence of the growth of individual and community wants. These changes have a marked effect on the workers' attitude to employment, discipline and wages and is influencing the rate of turnover of labour and, also, absenteeism in industry. As a consequence of this change in the attitude to work, incentives have come to occupy an increasingly important place in schemes of productivity. Such schemes ought to aim at increasing the willingness to work by providing monetary and non-monetary inducements to workers, and there is every reason to hope that they will become acceptable to the workers.

The attitudes of an entire community are the result of social and cultural modes which have come down from a long past. Most of the present modern employers of industry also have had their roots in the past; they were inheritors of a feudal system of social relationship in which command and obedience—not consultations—were the guiding factors to rules of conduct. Obviously, they were accustomed to treat workers as no more than surfs whose main duty was just to obey and who in turn would be well fed and cared for. When the modern industrial system came to be established, it was but natural that entrepreneurs should carry these ideas unconsciously with them. This is not necessarily harmful. Even today in modern Japan, with all its increases in productivity, the relationship between the employer and the worker continues to bear the old feudal traits. When a Japanese employer takes on a worker, he has no intention at any time of letting him go on to streets. Nor does the worker join a concern with the thought of quitting. Hire and fire or job-hopping are phrases alien to the social structure of the Japanese industry. The wage structure is also socially conditioned. The worker gets a certain wage so long as he is unmarried and the employer gives him some thing more when he gets married and makes addition to the wage as the family grows. On joining, the worker commits himself to the concern for the remainder of his working career. The concern will not discharge him, even temporarily, except in the extreme circumstances. He will not quit the firm for industrial employment elsewhere. He becomes part of the organization in a way one would become part of a family. This rule of a life-time commitment between employees and a firm imposes obligations and responsibilities on both the factory and the workers of a different order, than that on which personnel practices and worker-company relations are based in other countries. The Japanese worker is not dismissed in the event of a lack of work. In such an eventuality the management has been able, in the past, to send workers to their home (on leave) for a time. During this *no work* period, the persons *laid off* continue to be employees of the Company and are paid a salary of 60 per cent of their usual income. This pay, despite *no work* performance, continues until the workers are re-called or the Company dissolves as an organization.

Such a system would make our modern concepts like rationalization, incentive schemes etc. appear absurd but the system works in Japan (a) because the recruitment system is based on a sound social relationship, and (b) because industry and society in Japan have established a sort of an equilibrium and it is this social equilibrium which makes Japanese workers as productive as many other workers in other parts of the world. This does not, however, mean that a similar system would succeed in India. The disintegration of the traditional bases of Indian society has gone perhaps farther than it had in Japan when she embarked on industrlialisation.

Even in the more advanced industrial countries, the social attitudes prevalent in the community do have a bearing on productivity. Recently, a research study undertaken by the British Research Organisation came to the conclusion that the British people do not attach so high a priority to material progress as to want to achieve economic prosperity as for example the people of the United States, Western Germany or the Soviet Union. This Survey has shown that the British worker is not prepared, like the American worker, to take risks to move to a new job or fight for advancement. If the prospect of more wealth is held out to him, but at the risk of unsettling his established pattern of life involving separation from his family, then he is inclined to settle for security and things as they are.

The same Research Group also have pointed out that even among the top British industrialists and businessmen, the aggressive, dynamic spirit necessary to step up productivity and expand a trade is not so much in evidence as the desire for an easy life and small, but safe profits, and, they warn that if these trends continue, Britain's standard of living will soon be below that of several Continental countries, let alone the United States. The traditional British resistance to change has acquired new roots in entirely different circumstances —with a redoubled conviction that where there is *not* a strong reason for change there is a strong reason *not to change*.

While these attitudes are by no means permanent, there is no doubt these are the kinds of things which one must take note of in dealing with productivity.

Nepotism, for example, about which we have heard so much in our country is really the result of a social background which equally with the employer all of us have inherited. A pre-industrial society has its own code of morals and values. Its loyalty and obligations are limited to people who are personally known and related to each other. Such conditions and values suited for an old traditional society are of course quite out of place in a modern industrial economy where efficiency, merit and justice to all should be the criteria and where impersonal relationship and the development of impersonal ethics are highly important. The traditional ethics of a joint family becomes patently inadequate to secure efficiency or even social cohesion. The nepotism that prevails in business and administration is a hangover of past relationship. It is in reality an extension of the joint family to a sphere where new standards of impersonal fairness wait to be built.

The attitudes of the community to the place of business in society and to profits and economic gain and to the entrepreneurs' functions are very important to an understanding of productivity. Until recently in India business was held in low esteem and the business community in general did not occupy their due place in society. When the old rural relationship, in which the zamindars and the landlords were the biggest men, underwent a transformation a void was created which was partly replaced by an order in which big industrialists played the dominant role, however, partly on account of their own faults the business community could not attain the prestige that their counterparts in USA and Europe enjoyed, with the result that the best talents did not flow into business careers. This tendency was aggravated on account of the prestige that was associated with Government service which led the talented young people to join the ranks of administrators. Fortunately, thanks to a number of factors, the attitudes and the social status of the community are changing pretty rapidly.

Indian industry is now regarded as a very important factor to the growth of the economy and businessmen have therefore come to occupy a respectable place in the community and youngmen have increasingly turned to business. The example of foreign firms, which have set high standards of efficiency and social behaviour, have also contributed to this change. The community has also come to recognise the fact that business exists for common good. They are socially useful, and, necessary, and it is upon the successful and efficient conduct of business that the country's economic growth depends.

To deal with other kinds of social attitudes—the attitudes of the people to work, to save, to productive investment, to marriage and to family planning, all these have a great bearing upon productivity. Studies of the attitudes of some of the factory workers in Calcutta, Bombay and Ahmedabad have revealed that the workers still carry their village traditions into their new city life. The ties of the joint family, even if they are disintegrating, a few still continue in a large number of cases. Quite a considerable number of workers hand over their earnings to the heads of their families or where the families live in the villages, they send their earnings home. They are still conditioned by the desire to have holidays for festivals and for religious functions. The people living in villages are accustomed to freer conditions of work and they find it difficult to adjust to the discipline imposed by the routine of the factory. Absenteeism, both for short periods of time and for a longer duration, still continues as a factor to be reckoned with.

Government's attitude to productivity has also been very much conditioned by their past. A Government, so long used to only maintaining law and order and having set up machinery and procedures suited for that purpose, has now embarked on industrial functions which require quite different attitudes. It has not been easy for Government to make these adjustments necessary for the purpose.

I have dealt, at some length, with these attitudes of the community, the workers, employers and the Government because it seems to me that without a proper understanding of all these attitudes and values, it will not be possible for us to make real advances in productivity because it is only by understanding the present, that we can build for the future. Obviously the most important thing is to bring about a better understanding through education and communication of ideas, and by taking all those measures which can bring about a change in those attitudes and relationships which are a hindrance to productivity. The first thing for the workers to recognise is that they have a stake and a vested interest in productivity. In fact, if the workers are to enjoy the privileges and the rights given to them by the Constitution, it is inimical to their own basic interests to adopt the attitudes which rather hinder productivity or give a low place to productivity. What is, therefore, needed is particularly a new system of social education which would make working classes realise that they should bring about a reorientation of their attitudes from an approach of conflict to a cooperative approach.

Similarly, the attitudes of the employers must also change. They have to begin treating the workers as participants in business, as co-workers and as friends and sharers in their common tasks. Much of the machinery for joint consultation and also for joint management has failed because the attitudes of the employers have not been in accordance with the basic requirements of industrial relationship. But, of course, workers must accept management as management since ultimately it is the management's right to take decisions regarding their business. The management must manage; but it should so manage that its methods and procedures are understood and become acceptable to the workers on the shop floors.

It is necessary to recognise that the caste system, the joint family system, the modes of living of the people must be taken into account before developing any methods by which these attitudes are gradually sought to be changed. India's traditional culture places great value on community and family ties. The family provides the individual with an important source of security and protection. This should be taken into account in organising work in a factory. If it is possible for the workers to work in small working groups, where they know each other and where they will respect their leaders successful innovations and changes could be affected. The experiment carried on by the British experts in Calico Mills in Ahmedabad have shown that given proper conditions, the workers' attitudes and values can be changed to increase production. Their capacity for cooperation in the performance of their tasks is really immense.

It is necessary, however, to recognise that in a large measure the country has already undergone considerable social changes. The old values have just ceased to exist in many spheres. The boys belonging to the so-called high castes no longer consider it beneath their dignity to work by spoiling their hands and by doing dirty work. Similarly, employers, especially younger ones, are now imbued with a sense of national spirit rather than a sense of private gain and they understand that they owe a responsibility to the Society and that the industry itself is a social activity, in which their own private interests are not the sole determining factors. In other words industry is getting socialised; every large concern, be it a public sector enterprise or a private one, has to behave in a new way, with responsibility, and obligation to the workers and the community.

At the present time when the country is seeking to take a big stride forward and to attain, as early as possible, a take-off stage, a reorientation of our attitudes to increasing productivity may perhaps be singly the most determining factor in economic growth. What is required is a better understanding of the basis of higher productivity and the *development of productivity consciousness.* All classes must be convinced of the vital national need to increase the size of the cake through higher productivity. The attitudes of each of the major interests involved in productivity —the workers, the employers and the Government and the community in general must be adapted and oriented not only in the light of their appreciation of their own problems and needs but in the light of the attitudes of each to the others.

Let us ask what are the major elements for seeking the cooperation of the workers in developing the right kind of attitudes towards productivity. First and the most important is the fear of being thrown out of employment on account of the application of modern methods of work, rationalisation, work and methods study and various other productivity techniques. Workers will not work themselves out of a job and become unemployed. But the Constitution of the National Productivity Council has written into it the sound principle that no productivity methods should result in unemployment and that if it should result, every effort should be made to ensure that alternative work should be found for the unemployed workers in other departments or industries. Notwithstanding this, the fear of unemployment continues to be the greatest fear among the workers and their attitude has been largely conditioned by this fear.

Employers should clearly and unequivocally state their firm adherence to this principle of *no unemployment through productivity*. In a seminar held recently in Delhi, some of the representatives of Trade Unions went so far as to say that they should not only be provided with alternative employment, but that they should not lose in status. Be that as it may, prevention of unemployment caused by productivity is a very legitimate and essential objective and employers should clearly accept this obligation. At the same time, it is necessary for Trade Unions to note that it is not those countries which continue to have inferior techniques that have attained high levels of employment. Indeed, unemployment and under-employment are the concomitant of low technology—not advanced technology. Also in a growing economy like ours, the fear of unemployment arising on account of improved practices should not loom large because of the growing opportunities for employment.

Secondly, the workers must have the confidence and assurance that they will share equitably in the gain arising out of productivity. The seminar referred to above discussed this question at length and there was complete agreement by all participants on the principle of equitable sharing of all gains of productivity. It was agreed that the gains of productivity should be shared between (a) the community in the form of lower prices, (b) the workers in higher wages and earnings, and (c) the management in the form of increased return for capital employed and opportunities for expansion and reinvestment. But the measurement of the actual gains and establishment of criteria for allocating the benefits of increased productivity are by no means easy. These have, therefore, been referred to an Expert Committee.

Thirdly, the introduction of productivity techniques should not result in unreasonable or excessive intensification of work. Productivity implies higher output per unit of input (of labour). Too often however, it is considered synonymous with harder and more intense work. Much of the distrust and suspicion of the Time and Motion Studies and fixing of work-loads, sought to be introduced in some factories with the help of expert consultants, can be traced to this fear of undue intensification of work and greater speed-up.

The answer to this lies clearly in a fourth principle, which must be accepted by the employers, namely, the Trade Unions should be consulted in the way productivity processes are being introduced in any factory. It also implies that there should be a machinery for consultation so that workers are correctly informed with regard to management policies and objectives and that their representatives will be consulted at all essential stages.

Another important factor affecting the workers' attitudes is that nothing should be so designed as to deflate or weaken the Trade Unions organisation and leadership. There is no more scope in industry for authoritarianism or for family management of large businesses. The attitude of the employers to consultation with Unions and workers' participation should hereafter be more positive.

On the other hand, the view is widely held in Indian industry that workers' attitude to even the most reasonable changes have been negative, if not suspicious, that they fail to appreciate the need for a reduction in costs and that they are reluctant to cooperate in the essential reorganisation and expansion programme of a plant. Further, there is also insufficient recognition of the fact that the final decisions must rest with the management and that a chain of authority and responsibility has to be fixed and acted upon. Hundreds of Management decisions have to be taken continuously relating to a whole range of functions involved in efficiently operating a factory or a business concern. Workers must, therefore, accept the inevitables of this functional type of management and help in smooth and efficient running of the business. While recognising the need to keep channels of communication open to and from the management, workers should develop a more favourable attitude to the adoption of improved practices and operations. The distress and distrust among the workers (largely the creation of a few unworthy managements) have resulted in the workers developing a suspicious attitude in respect of, for example, determination of work loads, price rates or efficiency wages, the balance sheet of companies. Several questions, like bonuses, could be more easily solved if only the workers could be persuaded to approach the problem on a more rational basis. Unfortunately most of the trade unions seem to be allergic to industrial consultants and their studies on work loads and time and motion studies. Part of their attitudes is to be explained in terms of a mistaken belief that because industrial consultants are paid by the management, they would not be objective; their attitudes will change only when trade unions are able to secure from among their own members trained personnel who would be able to evaluate the various techniques themselves. For this purpose they shall be encouraged to establish research sections and I have laid stress on the need to give financial and other help to them in their effort. In the interest of workers themselves, it is necessary that their attitudes to management should be more positive. Higher wages can only be given out of higher output and productivity is, therefore, as much the concern of the workers as of the management.

It may also be said that workers have failed to recognise the change that has already taken place in the attitude of the management in India. Today most of the top executives have become management conscious with all its implications and attitudes. Profit-making is no longer regarded as arising out of exploitation of labour and other weaker elements of society. Modern technology has made such kinds of profit making wholly unnecessary. Profits can now be made by the creation of new goods and services and by taking full advantage of the opportunity to provide the community with fruits of industry in the form of innumerable varieties of producer goods and consumption goods. Firms which pay high wages, are those which also enjoy high profits. Much larger savings can be effected by cost reduction through a variety of improved processes and methods than by denying higher wages to the workers.

Modern technology will not yield its fruits unless it becomes an instrument of a real community of purposes. A family organisation of industry with cousins and nephews and sons-in-law is clearly out of date. What is socially significant is not that nepotism exists but that it is under present circumstances unworkable.

Fortunately, industry is changing fast. Indian society is becoming more mobile—both horizontally and vertically. Entrepreneurship itself is undergoing progressive change. Young managers and engineers no longer bank upon influence or family connections. They are much more socially conscious, and recognise their obligations to the community and to the workers.

In many a large firm, the responsibility for top management has tended to shift from the owners to the chief executives, who by their very nature are more conscious of their social responsibilities than the old type of proprietors. This trend will continue. The attitudes of the new type of managers to themselves and to their jobs are now built on social foundations —spiritual, intellectual and material;—spiritual in the sense that they believe that the organisations to which they belong are something bigger and worth making sacrifices for. Their loyalties have also an intellectual and emotional content. On the material plain, they go for the satisfaction that the rewards to them will come through their efficiency and successful effort. New types of leaders are coming up who take a pride in battling with difficulties and find true satisfaction in doing an efficient job.

However, not all of the traditional attitudes of management are to be condemned and sacrificed at the altar of change. The past attitudes of employers to business and its growth, have sometimes had a beneficial effect. Managing Agents, for reasons of prestige, showed a remarkable identity of interests with their enterprises when these were in difficulties. Often they were prepared to stake their whole fortunes to ensure that an enterprise started by them did not collapse. For example, when the tea industry faced a crisis in 1952 the industrialists lent their personal funds, wrote off the loans owed to them by the companies, and, took on their own shoulders the losses that had been incurred. This help enabled the industry to pay wages to labour and to tide over the crisis. Similar instances can be given for the jute industry and textile mills, particularly those of Ahmedabad. This kind of attitude and social outlook have been assets for industries, which have been subject to vicissitudes and fluctuations.

Finally, the attitudes of the Government and the Community: Productivity is not like a dress to be put on and taken off at will. It should become a part and parcel of a community's mental makeup; if anything is worth doing, it should be done in the best possible manner. The community should not accept the second best when the best is possible.

The Third Plan provides for an investment of Rs 10,200 crores. By itself this can have no great value. Whether in terms of output, results and achievements the investment will be fruitful, will depend upon the way in which the investment resources are utilised. The community should give a rightful place to those who are participants in this great national effort. The duty of the Government is to adopt such policies as would favour a change in the attitudes of the entire community towards productivity, for ultimately it is productivity that holds the key to achievement.

The Management Of Men

E Pauli*

If you ask a works or shop manager what is his job, he will very often tell you that his job is production and he will hardly mention his subordinates. He will supply you with a full description of the technical aspects of his job where he will insist upon his responsibilities in regard to production, but it is unlikely that he will mention his responsibilities in regard to his subordinates. The majority of shop managers believe that their responsibility is production and fail to recognise that production comes through other people. They fail to understand that the job of *line managers* is not to do things themselves but to get things done through other people and that their success is getting things done through other people depends upon the nature and kind of relationships they are able to create and maintain with their subordinates.

An efficient and happy enterprise is built on satisfactory relations between seniors and their direct subordinates, not the least important factor in which is the provision of leadership and guidance by the former.

IN modern times, particularly in the last 20 years, the world has witnessed wonderful technological progress which, in many countries, has brought about a high standard of living. Unfortunately such technological progress has similar progress in the social field. The same can be said about industry. Industry has grown rapidly but not all responsible people in industry are yet fully aware of the benefits which could derive to industry by no longer considering the human factor on the basis of materialistic values but on human potential growth and possibilities.

In a survey carried out recently in the 50 leading industrial undertakings of the United States, it was found that nowadays executives spend more than 50 per cent of their time handling human problems, while "supervisors may be considered as literally devoting 100 per cent of their time to personnel administration". Examining the criteria followed by these major American businesses in the selection of future executives, it was found that *skill in human relations* is considered paramount while *seniority* and *technical skill* are secondary.[1]

Moreover the majority of undertakings surveyed agreed that *first-line supervisors* represent the cornerstone of the management structure and a prerequisite in their selection and training is *skill in human relations*. This trend in industrial management is

* Management Development Unit, ILO, Geneva.

[1] *Personnel Administration at the Executive Level*, published by the United States Naval Institute of Annapolis.

also to be found all over Europe where emphasis is being increasingly laid upon the importance of human relations.

Among certain leading people in industry there is a misunderstanding in regard to line and staff functions in the field of personnel administration. Such misunderstanding affects negatively relationships between line managers and their subordinates and, indirectly, production.

Let us discuss the cause of such misunderstanding and see whether we can identify it and examine the possibilities of eliminating it.

We shall call line managers all people placed in the direct *line of command* and staff specialists the personnel acting in a service or advisory capacity. The works manager is a line manager; the superintendent and the foremen are line managers. The personnel manager and the labour officer are, on the other hand, staff specialists; the safety engineer is a staff specialist and so is the inspector responsible for the quality of production. It is a matter of convention.

If you ask a works or shop manager what is his job, he will very often tell you that his job is proluction and he will hardly mention his subordinates. He will supply you with a full description of the technical aspects of his job where he will insist upon his responsibilities in regard to production, but it is unlikely that he will mention his responsibilities in regard to his subordinates. The majority of shop managers believe that their responsibility is production and fail to understand that the job of *line managers* is not to do things themselves but to get things done through other people and that their success in getting things done through other people depends upon the nature and kind of relationships they are able to create and maintain with their subordinates.

However the fact that they do not mention people among their responsibilities is a clear indication of their belief that they are only responsible for production and that their responsibilities towards their subordinates are limited to technical problems regarding production and do not include the problems of their subordinates. The most curious part of this is that all such managers are perfectly well aware that, in practice, a major part of their time in their day to day work is taken up in dealing with their subordinates—issuing orders, discussing technical problems of the work, maintaining workshop discipline and often, in fact, dealing with personal problems. It is simply that they do not see this as a part of their *work*, which in their eyes is to obtain production. (The same, in principle, may be true in the case of the sales manager or chief inspector in relation to *their* subordinates).

What are the reasons for this? The following may be among them:

(1) The head of a department—works or sales, for example, is judged by *his* superiors on his performance in terms of output or sales. He is not judged on his qualities as a manager of men—at least, not independently of his primary function.

(2) Until recently, at any rate, technical training of any kind tended to concentrate on the technical aspects of the job and to ignore the human element. Add to this the fact, especially true in the technical rather than sales functions, that the type of man who becomes a tech-

nician is primarily interested in the *technical* rather than human aspects of his job.

(3) The development of the separate personnel department which has taken on many of the functions—selection and sometimes training among them —which were formerly carried out by the line manager has tended to reduce his direct human responsibilities to those of pure supervision.

(4) Due to a failure of higher management, the personnel department has in some cases been allowed to interfere in matters of discipline and has become a *court of appeal* against disciplinary decisions of the line manager. While it is true that some form of protection of the workers against arbitrary and unfair treatment is necessary, decisions in such matters should be with the line manager's superior and not with what is essentially a staff or service department. If the manager finds that the personnel department is backed in its decisions by the top management, it very quickly becomes difficult to take action viz-a-viz his subordinates and tends to throw the onus of discipline into the personnel department.

It may thus be said that the line manager's failure to take account of his human responsibilities, where it occurs, is due primarily to the failure of his own superiors, generally the top management, to keep the distinction between line and staff functions clearly in mind and to allocate definite areas of responsibility to each. The result, however, has in most cases been detrimental both to efficiency and to ordinary human happiness, since it has led to confusion and misunderstanding on the part of all concerned. What is to be done about it?

An efficient and happy enterprise is built on satisfactory relations between seniors and their direct subordinates, not the least important factor in which is the provision of leadership and guidance by the former.

Authority cannot be broken into two parts and production authority allocated to the line-man and personnel authority to the personnel manager or to the labour officer. Real leadership embraces both authorities.

Production administration and personnel administration in a department should be the responsibility of the head of the department. Production in a department can be ensured only if good personnel administration is penalties, subject in both cases to of handling personnel problems of a department cannot be assigned to someone outside the department.

Line managers, supervisors and foremen should have control of the personnel in their units. They should have sufficient authority to render their decisions effective without having to call in staff specialists. At each level they should be able to exercise, as appropriate, their right and duty to offer or recommend rewards and penalties, subject in both cases to appropriate checks to ensure that this right is not abused. After a long period in which the authority of departmental manager or foreman was limited by the activities of specialists, there are signs that this authority is at last being returned to him. This is true in the technical as well as in the personnel fields.

Recently during a course on *human relations* for the top managers of the ciated with Government service which led the talented young people to join the ranks of administrators. Fortunately, thanks to a number of factors, the attitudes and the social status of the community are changing pretty rapidly.

Indian industry is now regarded as a very important factor to the growth of the economy and businessmen have therefore come to occupy a respectable place in the community and youngmen have increasingly turned to business. The example of foreign firms, which have set high standards of efficiency and social behaviour have also contributed to this change. The community has also come to recognise the fact that business exists for common good. They are socially useful, and, necessary, and it is upon the successful and efficient conduct of business that the country's economic growth depends.

To deal with other kinds of social attitudes—the attitudes of the people to work, to save, to productive investment, to marriage and to family planning, all these have a great bearing upon productivity. Studies of the attitudes of some of the factory workers in Calcutta, Bombay and Ahmedabad have revealed that the workers still carry their village traditions into their new city life. The ties of the joint family, even if they are disintegrating, a few still continue in a large number of cases. Quite a considerable number of workers hand over their earnings to the heads of their families or where the families live in the villages, they send their earnings home. They are still conditioned by the desire to have holidays for festivals and for religious functions. The people living in villages are accustomed to freer conditions of work and they find it difficult to adjust to the discipline imposed by the routine of the factory. Absenteeism, both for short periods of time and for a longer duration, still continues as a factor to be reckoned with.

Government's attitude to productivity has also been very much conditioned by their past. A Government, so long used to only maintaining law and order and having set up machinery and procedures suited for that purpose, has now embarked on industrial functions which require quite different attitudes. It has not been easy for Government to make these adjustments necessary for the purpose.

I have dealt, at some length, with these attitudes of the community, the workers, employers and the Government because it seems to me that without a proper understanding of all these attitudes and values, it will not be possible for us to make real advances in productivity because it is only by understanding the present, that we can build for the future. Obviously the most important thing is to bring about a better understanding through education and communication of ideas, and by taking all those measures which can bring about a change in those attitudes and relationships which are a hindrance to productivity. The first thing for the workers to recognise is that they have a stake and a vested interest in productivity. In fact, if the workers are to enjoy the privileges and the rights given to them by the Constitution, it is inimical to their own basic interests to adopt the attitudes which rather hinder productivity or give a low place to productivity. What is, therefore, needed is particularly a new system of social education which would make working classes realise that they should bring about a reorientation of their attitudes from an approach of conflict to a cooperative approach.

Similarly, the attitudes of the employers must also change. They have to begin treating the workers as participants in business, as co-workers and as friends and sharers in their common tasks. Much of the machinery for joint consultation and also for joint management has failed because the attitudes of the employers have not been in accordance with the basic requirements of industrial relationship. But, of course, workers must accept management as management since ultimately it is the management's right to take decisions regarding their business. The management must manage; but it should so manage that its methods and procedures are understood and become acceptable to the workers on the shop floors.

It is necessary to recognise that the caste system, the joint family system, the modes of living of the people must be taken into account before developing any methods by which these attitudes are gradually sought to be changed. India's traditional culture places great value on community and family ties. The family provides the individual with an important source of security and protection. This should be taken into account in organising work in a factory. If it is possible for the workers to work in small working groups, where they know each other and where they will respect their leaders, successful innovations and changes could be affected. The experiment carried on by the British experts in Calico Mills in Ahmedabad have shown that given proper conditions, the workers' attitudes and values can be changed to increase production. Their capacity for cooperation in the performance of their tasks is really immense.

It is necessary, however, to recognise that in a large measure the country has already undergone considerable social changes. The old values have just ceased to exist in many spheres. The boys belonging to the so-called high castes no longer consider it beneath their dignity to work by spoiling their hands and by doing dirty work. Similarly, employers, especially younger ones are now imbued with a sense of national spirit rather than a sense of private gain and they understand that they owe a responsibility to the Society and that the industry itself is a social activity, in which their own private interests are not the sole determining factors. In other words industry is getting socialised; every large concern, be it a public sector enterprise or a private one, has to behave in a new way, with responsibility, and obligation to the workers and the community.

At the present time when the country is seeking to take a big stride forward and to attain, as early as possible, a take-off stage, a reorientation of our attitudes to increasing productivity may perhaps be singly the most determining factor in economic growth. What is required is a better understanding of the basis of higher productivity and the development of *productivity consciousness*. All classes must be convinced of the vital national need to increase the size of the cake through higher productivity. The attitudes of each of the major interests involved in productivity —the workers, the employers and the Government and the community in general must be adapted and oriented not only in the light of their appreciation of their own problems and needs but in the light of the attitudes of each to the others.

Let us ask what are the major elements for seeking the cooperation of the workers in developing the right kind of attitudes towards productivity. First and the most important is the fear of being thrown out of employment on account of the application of modern methods of work, rationalisation, work and methods study and various other productivity techniques. Workers will not work themselves out of a job and become unemployed. But the Constitution of the National Productivity Council has written into it the sound principle that no productivity methods should result in unemployment and that if it should result, every effort should be made to ensure that alternative work should be found for the unemployed workers in other departments or industries. Notwithstanding this, the fear of unemployment continues to be the greatest fear among the workers and their attitude has been largely conditioned by this fear.

Employers should clearly and unequivocally state their firm adherence to this principle of *no unemployment through productivity.* In a seminar held recently in Delhi, some of the representatives of Trade Unions went so far as to say that they should not only be provided with alternative employment, but that they should not lose in status. Be that as it may, prevention of unemployment caused by productivity is a very legitimate and essential objective and employers should clearly accept this obligation. At the same time, it is necessary for Trade Unions to note that it is not those countries which continue to have inferior techniques that have attained high levels of employment. Indeed, unemployment and under-employment are the concomitant of low technology—not advanced technology. Also in a growing economy like ours, the fear of unemployment arising on account of improved practices should not loom large because of the growing opportunities for employment.

Secondly, the workers must have the confidence and assurance that they will share equitably in the gain arising out of productivity. The seminar referred to above discussed this question at length and there was complete agreement by all participants on the principle of equitable sharing of all gains of productivity. It was agreed that the gains of productivity should be shared between (a) the community in the form of lower prices, (b) the workers in higher wages and earnings, and (c) the management in the form of increased return for capital employed and opportunities for expansion and reinvestment. But the measurement of the actual gains and establishment of criteria for allocating the benefits of increased productivity are by no means easy. These have, therefore, been referred to an Expert Committee.

Thirdly, the introduction of productivity techniques should not result in unreasonable or excessive intensification of work. Productivity implies higher output per unit of input (of labour). Too often however, it is considered synonymous with harder and more intense work. Much of the distrust and suspicion of the Time and Motion Studies and fixing of workloads, sought to be introduced in some factories with the help of expert consultants, can be traced to this fear of undue intensification of work and greater speed-up.

The answer to this lies clearly in a fourth principle, which must be accepted by the employers, namely, the Trade Unions should be consulted in the way productivity processes are being introduced in any factory. It also implies that there should be a machinery for consultation so that workers are correctly informed with regard to management policies and objectives and that their representatives will be consulted at all essential stages.

Another important factor affecting the workers' attitudes is that nothing should be so designed as to deflate or weaken the Trade Unions organisation and leadership. There is no more scope in industry for authoritarianism or for family management of large businesses. The attitude of the employers to consultation with Unions and workers' participation should hereafter be more positive.

On the other hand, the view is widely held in Indian industry that workers' attitude to even the most reasonable changes have been negative, if not suspicious, that they fail to appreciate the need for a reduction in costs and that they are reluctant to cooperate in the essential reorganisation and expansion programme of a plant. Further, there is also insufficient recognition of the fact that the final decisions must rest with the management and that a chain of authority and responsibility has to be fixed and acted upon. Hundreds of Management decisions have to be taken continuously relating to a whole range of functions involved in efficiently operating a factory or a business concern. Workers must, therefore, accept the inevitables of this functional type of management and help in smooth and efficient running of the business. While recognising the need to keep channels of communication open to and from the management, workers should develop a more favourable attitude to the adoption of improved practices and operations. The distress and distrust among the workers (largely the creation of a few unworthy managements) have resulted in the workers developing a suspicious attitude in respect of, for example, determination of work loads, price rates or efficiency wages, the balance sheet of companies. Several questions, like bonuses, could be more easily solved if only the workers could be persuaded to approach the problem on a more rational basis. Unfortunately most of the trade unions seem to be allergic to industrial consultants and their studies on work loads and time and motion studies. Part of their attitudes is to be explained in terms of a mistaken belief that because industrial consultants are paid by the management, they would not be objective; their attitudes will change only when trade unions are able to secure from among their own members trained personnel who would be able to evaluate the various techniques themselves. For this purpose they shall be encouraged to establish research sections and I have laid stress on the need to give financial and other help to them in their effort. In the interest of workers themselves, it is necessary that their attitudes to management should be more positive. Higher wages can only be given out of higher output and productivity is, therefore, as much the concern of the workers as of the management.

It may also be said that workers have failed to recognise the change that has already taken place in the attitude of the management in India. Today most of the top executives have become management conscious with all its implications and attitudes. Profit-making is no longer regarded as arising out of exploitation of labour and other weaker elements of society. Modern technology has made such kinds of profit making wholly unnecessary. Profits can now be made by the creation of new goods and services and by taking full advantage of the opportunity to provide the community with fruits of industry in the form of innumerable varieties of producer goods and consumption goods. Firms which pay high wages, are those which also enjoy high profits. Much larger savings can be effected by cost reduction through a variety of improved processes and methods than by denying higher wages to the workers.

Modern technology will not yield its fruits unless it becomes an instrument of a real community of purposes. A family organisation of industry with cousins and nephews and sons-in-law is clearly out of date. What is socially significant is not that nepotism exists but that it is under present circumstances unworkable.

Fortunately, industry is changing fast. Indian society is becoming more mobile—both horizontally and vertically. Entrepreneurship itself is undergoing progressive change. Young managers and engineers no longer bank upon influence or family connections. They are much more socially conscious, and recognise their obligations to the community and to the workers.

In many a large firm, the responsibility for top management has tended to shift from the owners to the chief executives, who by their very nature are more conscious of their social responsibilities than the old type of proprietors. This trend will continue. The attitudes of the new type of managers to themselves and to their jobs are now built on social foundations —spiritual, intellectual and material;—spiritual in the sense that they believe that the organisations to which they belong are something bigger and worth making sacrifices for. Their loyalties have also an intellectual and emotional content. On the material plain, they go for the satisfaction that the rewards to them will come through their efficiency and successful effort. New types of leaders are coming up who take a pride in battling with difficulties and find true satisfaction in doing an efficient job.

However, not all of the traditional attitudes of management are to be condemned and sacrificed at the altar of change. The past attitudes of employers to business and its growth, have sometimes had a beneficial effect. Managing Agents, for reasons of prestige, showed a remarkable identity of interests with their enterprises when these were in difficulties. Often they were prepared to stake their whole fortunes to ensure that an enterprise started by them did not collapse. For example, when the tea industry faced a crisis in 1952 the industrialists lent their personal funds, wrote off the loans owed to them by the companies, and, took on their own shoulders the losses that had been incurred. This help enabled the industry to pay wages to labour and to tide over the crisis. Similar instances can be given for the jute industry and textile mills, particularly those of Ahmedabad. This kind of attitude and social outlook have been assets for industries, which have been subject to vicissitudes and fluctuations.

Finally, the attitudes of the Government and the Community: Productivity is not like a dress to be put on and taken off at will. It should become a part and parcel of a community's mental makeup; if anything is worth doing, it should be done in the best possible manner. The community should not accept the second best when the best is possible.

The Third Plan provides for an investment of Rs 10,200 crores. By itself this can have no great value. Whether in terms of output, results and achievements the investment will be fruitful, will depend upon the way in which the investment resources are utilised. The community should give a rightful place to those who are participants in this great national effort. The duty of the Government is to adopt such policies as would favour a change in the attitudes of the entire community towards productivity, for ultimately it is productivity that holds the key to achievement.

The Management Of Men

E PAULI*

If you ask a works or shop manager what is his job, he will very often tell you that his job is production and he will hardly mention his subordinates. He will supply you with a full description of the technical aspects of his job where he will insist upon his responsibilities in regard to production, but it is unlikely that he will mention his responsibilities in regard to his subordinates. The majority of shop managers believe that their responsibility is production and fail to recognise that production comes through other people. They fail to understand that the job of *line managers* is not to do things themselves but to get things done through other people and that their success is getting things done through other people depends upon the nature and kind of relationships they are able to create and maintain with their subordinates.

An efficient and happy enterprise is built on satisfactory relations between seniors and their direct subordinates, not the least important factor in which is the provision of leadership and guidance by the former.

IN modern times, particularly in the last 20 years, the world has witnessed wonderful technological progress which, in many countries, has brought about a high standard of living. Unfortunately such technological progress has similar progress in the social field. The same can be said about industry. Industry has grown rapidly but not all responsible people in industry are yet fully aware of the benefits which could derive to industry by no longer considering the human factor on the basis of materialistic values but on human potential growth and possibilities.

In a survey carried out recently in the 50 leading industrial undertakings of the United States, it was found that nowadays executives spend more than 50 per cent of their time handling human problems, while "supervisors may be considered as literally devoting 100 per cent of their time to personnel administration". Examining the criteria followed by these major American businesses in the selection of future executives, it was found that *skill in human relations* is considered paramount while *seniority* and *technical skill* are secondary.[1]

Moreover the majority of undertakings surveyed agreed that *first-line supervisors* represent the cornerstone of the management structure and a prerequisite in their selection and training is *skill in human relations*. This trend in industrial management is

* Management Development Unit, ILO, Geneva.

[1] *Personnel Administration at the Executive Level,* published by the United States Naval Institute of Annapolis.

also to be found all over Europe where emphasis is being increasingly laid upon the importance of human relations.

Among certain leading people in industry there is a misunderstanding in regard to line and staff functions in the field of personnel administration. Such misunderstanding affects negatively relationships between line managers and their subordinates and, indirectly, production.

Let us discuss the cause of such misunderstanding and see whether we can identify it and examine the possibilities of eliminating it.

We shall call line managers all people placed in the direct *line of command* and staff specialists the personnel acting in a service or advisory capacity. The works manager is a line manager; the superintendent and the foremen are line managers. The personnel manager and the labour officer are, on the other hand, staff specialists; the safety engineer is a staff specialist and so is the inspector responsible for the quality of production. It is a matter of convention.

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However the fact that they do not mention people among their responsibilities is a clear indication of their belief that they are only responsible for production and that their responsibilities towards their subordinates are limited to technical problems regarding production and do not include the problems of their subordinates. The most curious part of this is that all such managers are perfectly well aware that, in practice, a major part of their time in their day to day work is taken up in dealing with their subordinates—issuing orders, discussing technical problems of the work, maintaining workshop discipline and often, in fact, dealing with personal problems. It is simply that they do not see this as a part of their *work*, which in their eyes is to obtain production. (The same, in principle, may be true in the case of the sales manager or chief inspector in relation to *their* subordinates).

What are the reasons for this? The following may be among them:

(1) The head of a department—works or sales, for example, is judged by *his* superiors on his performance in terms of output or sales. He is not judged on his qualities as a manager of men—at least, not independently of his primary function.

(2) Until recently, at any rate, technical training of any kind tended to concentrate on the technical aspects of the job and to ignore the human element. Add to this the fact, especially true in the technical rather than sales functions, that the type of man who becomes a tech-

nician is primarily interested in the *technical* rather than human aspects of his job.

(3) The development of the separate personnel department which has taken on many of the functions — selection and sometimes training among them - which were formerly carried out by the line manager has tended to reduce his direct human responsibilities to those of pure supervision.

(4) Due to a failure of higher management, the personnel department has in some cases been allowed to interfere in matters of discipline and has become a *court of appeal* against disciplinary decisions of the line manager. While it is true that some form of protection of the workers against arbitrary and unfair treatment is necessary, decisions in such matters should be with the line manager's superior and not with what is essentially a staff or service department. If the manager finds that the personnel department is backed in its decisions by the top management, it very quickly becomes difficult to take action viz-a-viz his subordinates and tends to throw the onus of discipline into the personnel department.

It may thus be said that the line manager's failure to take account of his human responsibilities, where it occurs, is due primarily to the failure of his own superiors, generally the top management, to keep the distinction between line and staff functions clearly in mind and to allocate definite areas of responsibility to each. The result, however, has in most cases been detrimental both to efficiency and to ordinary human happiness, since it has led to confusion and misunderstanding on the part of all concerned. What is to be done about it?

An efficient and happy enterprise is built on satisfactory relations between seniors and their direct subordinates, not the least important factor in which is the provision of leadership and guidance by the former.

Authority cannot be broken into two parts and production authority allocated to the line-man and personnel authority to the personnel manager or to the labour officer. Real leadership embraces both authorities.

Production administration and personnel administration in a department should be the responsibility of the head of the department. Production in a department can be ensured only if good personnel administration is penalties, subject in both cases to of handling personnel problems of a department cannot be assigned to someone outside the department.

Line managers, supervisors and foremen should have control of the personnel in their units. They should have sufficient authority to render their decisions effective without having to call in staff specialists. At each level they should be able to exercise, as appropriate, their right and duty to offer or recommend rewards and penalties, subject in both cases to appropriate checks to ensure that this right is not abused. After a long period in which the authority of departmental manager or foreman was limited by the activities of specialists, there are signs that this authority is at last being returned to him. This is true in the technical as well as in the personnel fields.

Recently during a course on *human relations* for the top managers of the

The Worker and Management

G Ramanujam*

Labour will have to reject the theory of 'eternal conflict' with management. It must concede the legitimate rights of the employer. The conflict, if at all, can never be a conflict of interests; for, the prosperity of the concern leading in turn to the prosperity of the employer and the employees is a common interest. They, therefore, both work for a common objective. If at any time conflict arises, that can only be a conflict between two points of view of the partners wedded to a common objective. Labour must learn to open up a new chapter of understanding cooperation with management for the benefit of the industry, the people and itself.

Employers will have to stop thinking of workers in terms of mere tokens and ticket numbers. They must realise that a worker is a human being and must start dealing with him on that footing. They must understand that labour problem is essentially a human problem. The tendency to impersonalise the workers as labour force as if it were something comparable to the horse-power of the machines should be discouraged. The attempt to always link labour with any trouble in the plant, and call it invariably as labour-trouble, must also be given up. It is possible that such difficulties are also due to management-trouble. Management should cease putting themselves on an infallible plane, as if it is only labour that is all the time bound to be in the wrong. The management side too needs quite a lot of introspection and the courage to act up to its conviction.

WHILE it is easy to define the term *worker*, it is not quite so easy to define the term *management*. Whereas the worker is an individual and intensely human, the term *management* merely represents a function; and the *functionary* in this respect need not be one person. It may as well consist of a group of persons, each operating at a different level. Even if we assume for the purpose of our present talk that *management* means not the management-function, but the management-organisation, it will still remain impersonalised—a sort of machine which tends to function in a mechanical manner; and the more mechanical it is in its functioning, the more it is praised as being thoroughly systematic. Of course, to be systematic is very good, but then rigidity is not always desirable.

Humanise Management-machine

The management-machine must therefore be humanised so as to make it fit enough to deal with workers who are human beings and expect to be treated as such. This is a very difficult process in the modern set-up of mechanised large-scale production. The manage-

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ment in these cases has to deal with both machines and men. And very often, they give the same treatment to both, which makes the treatment meted out to man lack the human touch. Sometimes it is even worse. Man is given even a worse treatment than the machine. The argument goes that *machines* are very costly, and they have got to be looked after carefully, but not so the man, who is to them *cheap.* Machines have no patience, no elasticity and their demands must be met and are met. But not so the worker's. He is often not rigid. He is patient and elastic, and so his needs can wait, and sometimes has to wait eternally. For instance, if a motor car would give 30 miles per gallon, there can be no argument about increasing it, no negotiations, conciliation or arbitration or adjudication about it. At the end of the thirtieth mile it stops if you do not put in additional petrol. But not so for the worker. If his need-based minimum wage is Rs X, he is always made to work even if he is paid less; and his elasticity in endurance is taxed, thus reducing him to a lowered treatment than the soul-less machines. Perhaps the fact that management itself has become a machine, accounts for machines being put up in importance over man! This seems to be rather upside-down; for it should be that machines are for men; and not men for machines!

If therefore substantial results are to be achieved, the management-machine must be fully humanised. This would call for a complete overhauling of the present attitude and approach to labour-management relations. It would call for a proper appreciation of the rights and obligations of the two parties in the process of production and distribution of wealth, and the consequent relationship that should be helped to flourish between them.

The two ways

There may be many theories concerning employer-employee relations; but two of them appear to me to be very important. The one is the Marxian Theory and the other, the Gandhian. The Marxian theory, for more than one reason, will be found to be rather outmoded against present-day conditions in the world, particularly in India. There is no Capitalist class flourishing today as Marx had defined. In fact, with the rapid expansion of the Public Joint Stock Companies, it is not necessary that the share-holders should belong to the Capitalist-class of the Marxian conception.

Similarly there has been a great change in the working class and lower-middle class. It is no more the proletariat of the Marxian conception. In advanced countries there has been some capital formation among the working class too, as a result of the workers enjoying a saving-wage. These savings have been invested in Joint Stock Companies and Cooperatives. Increased productivity leading to increased wages have lifted the workers in those countries above the living-wage standard to the saving-wage standard. The same process too can help such surplus formation among labour in India.

The Marxian Theory of *class-conflict* and the inevitable annihilation of one class—which must be the capitalist class—cannot also hold the field now, for the mere reason that such classes do not exist now. This, however, is not to say that we have achieved a classless society. That in my opinion is definitely impossible. For, as long as there are men and women with different capacities and talents, classes are bound to exist. Even in communist countries, where they might have abolished the private capitalist class, it should not be forgotten that they have at the same time created a new class in which is concentrated political power, which is even more dangerous than the concentration of money power. There is thus no classless society even in countries which swear by Marx. That theory has not worked anywhere and will not work at any time.

The Gandhian approach

In contrast, the Gandhian thought and approach seem to me to be more rational and practical. Gandhiji also admits there are conflicts now between classes. But he does not say, that because there is conflict between classes, abolish the classes. He says, if there is conflict, abolish the conflict, and not the classes. It is not the existence of classes that is wrong. But it is the existence of conflict between the classes that is wrong. Therefore correct the wrong. Substitute *conflict* by *cooperation;* and the result will be that instead of class-conflict we will have class cooperation. What is wrong in the existence of classes, if they exist only to cooperate with the other classes and not to come in conflict with them?

Gandhiji wants the cooperation between the classes not merely for the benefit of the two classes cooperating, but he wants such cooperation for the benefit of the community as a whole. According to Gandhiji the real employers are the people! They are the employer of all employers; and if they go on strike, the so-called employer also becomes unemployed along with those whom he was boasting he was employing. Therefore Gandhiji advised both employers and employees to consider themselves as *co-servants* of the people. He wanted both labour and capital to consider themselves as Joint-Trustees to whose joint hands has been entrusted the welfare of the people. Their cooperation should therefore aim at not merely bettering their own respective interests, but also in ensuring better service to the community which is the real master.

Nothing but hatred, anger and destruction can result out of conflict. But out of cooperation can materialise all the positive things that sustain life and make life worth living. Such cooperation may be voluntary out of understanding or forced and wrested. Whereever such cooperation is not spontaneous, arising out of a sincere appreciation of others' rights and obligations, both to themselves and to the people, the pace of productivity is bound to be the poorest. Where, on the other hand, such cooperation is spontaneous based on a sincere conviction, productivity would easily go up to the optimum, without anybody driving the parties.

Needed a re-education

The problem therefore is how to make such understanding cooperation possible between the worker and the management. Obviously it would require some education, rather re-education. Both the employer and his employees may have to unlearn a lot before beginning to learn a few things afresh.

Labour will have to reject the theory of *eternal conflict* with management. It must concede the legitimate rights of the employer. The conflict, if at all, can never be a conflict of interests; for, the prosperity of the concern leading in turn to the prosperity of the employer and the employees is a common interest. They therefore both work for a common objective. If at any time conflict arises, that can only be a conflict between two points of view of the partners weded to a common objective. Labour must learn to open up a new chapter of understanding cooperation with management for the benefit of the industry the people and itself.

Employers will have to stop thinking of workers in terms of mere tokens and ticket numbers. They must realise that a worker is a human being and must start dealing with him on that footing. They must understand that labour problem is essentially a human problem. The tendency to impersonalise the workers as *labour force* as if it were something comparable to the horse-power of the machines should be discouraged. The attempt to always link labour with any trouble in the plant, and call it invariably as *labour-trouble*, must also be given up. It is possible that such difficulties are also due to *management-trouble*. Management should cease putting themselves on an *infallible plane*, as if it is only labour that is all the time bound to be in the wrong. I think the management side too needs quite a lot of introspection and the courage to act up to its conviction.

Management must realise that there is no use in trying to put down legitimate trade union activity. Trade union movement has come to stay; and it is too late in the day either to now attempt to suppress it or to give an impression that the management does not like it. Managements must realise that a good trade union is as much an asset to the industry as its plant, machinery and building. Therefore it is as much the duty of the management to make the atmosphere conducive for the growth of a healthy trade union in the plant as the maintenance of the plant itself. This cannot be achieved by granting out-of-the-way favours to either the workers or their organisations. This can be achieved only by the management adopting a reasonable attitude in all matters connected with labour by making it possible for the workers to believe in the management's bonafides and by management readily sharing with the workers all information connected with the working of the plant, and not forcing a fight to delay the justice that cannot be denied. Managements should learn to avoid too legalistic an approach in their dealings with their workers, and should always be guided by the requirements of a human approach giving broad and prompt justice.

Management should give up the old idea of *master-and-servant* relationship between itself and its workers. The entire personnel, i.e. management and workmen, should function as one team. Those in the management positions should develop qualities of leadership and must have the capacity to take along with them the rest. They should be able to inspire confidence among the workers whom they are required to lead towards fulfilment of production targets. Those in management should so conduct themselves that the idea of the *team* permeates the entire rank and file of workers resulting in a healthy team spirit pervading the entire plant.

Industrial relations machinery

However, even under ideal labour-management relations differences are bound to arise from time to time. The attempt should not be to see that no differences arise, but it should be to settle all those differences promptly, fairly and finally. This requires an effective industrial relations machinery. Existence of facilities for settlement of disputes by the parties themselves sitting across the table and discussing problems would be ideal. But it is possible that in spite of the best intentions on both sides, there may be honest differences of opinion and the dispute may still survive. In all such cases there must be available an effective machinery for the prompt settlement of disputes. This requirement is met by the machinery of voluntary arbitration. Parties must agree in advance that all unresolved disputes shall be submitted voluntarily for arbitration by a person or persons already approved and his or their decision shall be final and binding on both.

It has been my unfortunte experience that invariably it is management that refuses to agree for arbitration. Management seem to prefer adjudication, with all its legal technicalities, appeals and the consequent delays. This means that disputes are allowed to remain unresolved for a considerable time, and all the time the parties who are expected to cooperate and work as a team for increasing productivity, will be fighting in courts and tribunals as petitioners and respondents or complainants and opponents! It is this tendency in our country which is largely responsible for workers' discontent. It naturally damps the enthusiasm of the workers to cooperate with management in increasing productivity. It is high time that managements do a little bit of serious re-thinking and help to create a better climate, in the interest of productivity.

The progress of workers

The worker knows that his status in industry and society is fast changing and he is gradually coming into his own. Some thirteen years back, the employer had almost the unfettered right to hire and fire any worker as he liked. But now, if a worker is unjustly denied employment or is victimised, courts have been given powers to intervene and reinstate the worker. Formerly the employer had the last word in the matter of fixing the wages of his worker. But now if the worker was found to be paid unjustifiably low wages, a tribunal has the right to enquire into it and compel the employer to pay a higher wage as fixed by it. Previously the worker was entitled to nothing more than his contractual wage, and whatever was left, after paying such contractual wage, went entirely into the coffers of the employers. But now labour's right to a share in the profits in addition to the contractual wage, has been recognised in the form of profit-sharing annual bonuses. Logically the progress registered by labour did not stop with this sharing of profits. It went a step further. Labour's right to participate in the management of industries has now been recognised in principle. This is indeed considerable progress.

Except for labour's right to participate in the management of industries, which is still in a nebulous state, the rest of the progress achieved was made possible not so much by any progressive attitude of the employers as a class, as by legislation, courts and trade unions. This unfortunate fact is making labour depend more and more on courts, tribunals and law than on bi-partite negotiations. Labour seems to have come to the conclusion that in this country, employers as a class, barring a few notable exceptions, have to be compelled by law before they can be made to concede even legitimate dues. It is very difficult to make any real progress in the field of productivity so long as this impression is allowed to persist. It is for employers to change the atmosphere and help to create a new impression. The earlier they make a beginning in this direction, the better for all concerned.

Problem of multiple unions

It cannot be said that employers have no difficulty to overcome in their efforts to create the new climate. I can well imagine employers' difficulties in this direction, particularly in the face of multiple unions. It is no doubt true that if the entire labour is organised under a single national centre, with no rival unions either at the plant or national level, it will be easy for a good employer to deal with that single union and enter into negotiated settlements. But that possibility of one-union-for-one-industry seems to me as a rather remote chance. It will take considerable time and we cannot afford to sit back and wait in a do-nothing attitude till that happens. It is primarily a task for labour and labour leadership to bring about such unity. But it is a gradual process of education, for by intelligent conviction alone can there be real unity brought about by labour consciously rejecting the spurious and rallying round the genuine. Labour must learn to lift the trade union movement above party politics. Trade union movement should cease to be a plaything in the hands of politicians. This is not possible unless labour is educated and made intelligent.

Even so managements are not quite so helpless as they would claim to be; particularly after the acceptance by all parties of the Code of Discipline in Industry. If only employers also individually accept the Code and scrupulously honour it fully, they will be setting the pace for labour and will be forcing labour and their organisations too to follow the Code. If the Code of Discipline becomes a live-factor in industrial relations, the evils arising from multiplicity of unions can be greatly mitigated. For whatever the number of unions operating at the plant level, there will be only one line of approach to all problems, viz. the Code Line. And in course of time when labour understands that approach to problems are the same by all unions, they will feel the superfluity of multiple unions and may well decide to be under one union. This will also help labour to see through the political machinations of the spurious unions and discard such unions. It is therefore to the advantage of industry, labour and the country that we make the Code of Discipline in Industry the sheet anchor of Employer-Employee Relations. Employers have a duty in this regard. They should erase the old impression and create a new one by themselves taking the lead and scrupulously following the Code and setting an example for labour.

Public sector no exception

Whatever has been said above in regard to managements applies equally to private and public sector. There should be no distinction between the two sectors and this has been conceded by the Second Plan also. In fact, the need for humanising the management-machine and the need for making labour participation in management a reality are even more pronounced in the public sector to avoid the tyranny of bureaucratic machinery and any tendency of the public sector degeneration into state bureaucratic capitalism.

* * *

Management is the developing of people and not the direction of things . . . Management and personnel administration are one and the same. They should never be separated. Management is personnel administration.

—LAWRENCE APPLEY, ex-President, American Management Association

Role of Trade Unions in India's Future Development

V K R MENON*

The role trade unions play in raising productivity can prove the most vital factor for future economic development. They can inspire workers and minimise waste of raw materials, better distribution of work loads and help in the improvement of discipline. The Stakhanov movement which contributed so much to the success of Soviet planning was nothing but workers' participation in finding out the ways and means of raising productivity and reducing cost through better division of work and careful technical suggestions.

If trade unions in India wish to play a role worthy of them, they have to identify themselves completely with the objectives of the Constitution and the needs of planning. The endeavour in India at present is to take the country speedily to the take-off stage. Since trade unions have a stake in the future economic growth, they can do no better than vigorously help in this process.

EACH civilisation has its own characteristic institutions. The agrarian rural society in India had its panchayats; the industrial urban civilisation of the West its trade unions. Whether by force of circumstances or deliberate choice, the latter too have come to India, for they are a concomitant of the industrial civilisation towards which this country is moving rapidly.

As is the case with most human institutions, they come into being because of their potentialities to satisfy certain basic human requirements; and if they gravitate to other directions, the fault does not lie with them, but with those who direct them, the environment in which they function or a distorted understanding of their purpose.

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A trade union is such an institution. Its potentialities for serving those in its orbit and the community for socio-economic good are enormous. But for all this a clearer understanding of its role is indispensable.

Social and economic objectives

The Webbs defined a trade union as "a continuous association of wage-earners for the purpose of maintaining or improving the conditions of their working lives". When one compares this definition to the objective of planning in India, namely, "to initiate a process of development which will raise living standards and open out to the people new opportunities for a richer and more varied life", it starts a chain of ideas. That the objectives of both, in one case that of the entire community and in the other that of a socio-economic institution, are in essence the same, means that the institution has to assimilate itself completely with the common aims and that unison rather than conflict is inherent in the relationship of the two. Social and economic justice; right to an adequate means of livelihood; balanced distribution to serve the common good; and ensuring non-concentration of resources—these are some of the directives of the Constitution that the Planning Commission has to fulfil. And since trade unions too have more or less similar wider aims, which are the basis for the future development of the country, their role in this behalf is apparent.

Trade unions today

In order to understand the position of trade unions today it is necessary to take a bird's eye view of the progress of trade unionism in India. Its active beginning dates back to 1918, the Indian Trade Unions Act was passed in 1926. Between 1927-28 and 1946-47, the number of registered trade unions increased from 29 to 1,833 and their total membership from 100,619 to 13,31,962. Since then there has been a steady increase both in the number of organisations and in membership. Trade unions have since 1952-53 registered progress as indicated in the following table:

—	Registered Workers' Unions	Unions submitting Returns	Membership of Unions submitting Returns
1952-53	4,878	2,690	20,94,035
1953-54	5,909	3,258	21,06,042
1954-55	6,557	3,517	21,66,855
1955-56	8,016	3,968	22,69,679
1956-57	8,477	4,370	23,73,278
1957-58	9,868	5,460	30,06,183

The number of federations whose objects are not confined to one State had risen from 12 with 502 affiliated unions in 1947-48 to 48 with 1,587 affiliated unions in 1957-58.

This upward curve of numbers does not, however, give an entirely correct picture. For, there has been a haphazard promotion of small unions, which means quantitative progress without corresponding qualitative advances. Certain problems continue to retard their all round progress.

Current problems

Trade unionism was legally recognised in India in 1926, and became eligible for Government support and encouragement. But although Indian trade unions worked for the protection of the workers' rights, they were, till 1947, strong allies of the political movement because of their strategic position. They had reason to believe that without political power, social and economic advance is difficult. No useful purpose will be served by probing as to whether the main central organisations of workers in India are even now tied to or *affiliated* to different political parties. The fact remains that there are, today, four such central organisations and that they do not always see eye to eye with each other even in pure trade union matters. This division, in several instances, percolates right from the national level to the level of individual undertaking. It is ordinary human nature that so long as multiplicity of unions exist, each will have a spirit of competition with the others. Even progressive employers who have all sympathy for growth of a strong and healthy trade union movement find themselves frustrated owing to multiplicity of unions. The less enlightened or those employers who are *hostile* can make the multiplicity of unions as a ready and convenient excuse. In particular, this is the main hurdle against more effective use of the machinery for collective bargaining as the very term *collective* assumes complete unity among all the workers. Parenthetically, when, on the basis of experience of other countries, a plea is made that the legal provision relating to compulsory adjudication should be removed from the Statute Book, the answer is apparent. So long as complete trade union unity is not achieved, the power vested in Government is to the advantage of the workers themselves.

It is, however, a happy sign of the times that the common ground among the different central organisations of workers is gradually increasing, though one might like to see the pace of this advance more rapidly. So long as multiplicity of trade unions and consequent rivalry are not almost wholly banished, it is inevitable that collective bargaining cannot gain full strength; that small trade unions will remain poorly organised with unsteady membership and precarious finances.

Towards strength and self-reliance

It is commonly said that trade unions in India have been spoon-fed for a long time now. How can this situation be changed to one in which they are strong and self-reliant? The State in India is anxious that they should be in a position of strength so that they can bargain independently with individual employers or groups of employers for improvements in the conditions of employment. There are certain difficulties in the situation which stand in the way. The more important of these are: (1) low wages, and hence difficulty in paying even a moderate union subscription regularly (2) prevailing unemployment, which lowers the bargaining power of the individual worker and consequently of the unions (3) illiteracy which makes it difficult for an average member to appreciate the real object of union membership, and (4) divided loyalties because of regional, religious, caste differences, which prevent workers from making their union an integrated whole.

There is also a brighter side of the picture. Although trade unionism is quite young in India compared to the countries in Europe and North America, the revolutionary times in which it was born and has developed has made it today an accepted feature of the industrial system. It did not have to go through all those troubles which trade unionism in the West had to suffer, and it could profit by the ready-made and accumulated experience of trade unions the world over. Ever since trade union representatives started attending the International Labour Conference, their role in policy-making through legislatures and membership of commissions and committees has been well-recognised. With the establishment of the tripartite Indian Labour Conference, Standing Labour Committee and Industrial Committees, this role has been stabilised. The result, therefore, is that whether all workers are union members or not, whether all employers have anything to do with trade unions or not, workers' viewpoint plays a part in shaping labour policy in India.

If there are still some sections of the community who are unable to appreciate the role of trade unions or are even hostile to their legitimate activities, the responsibility rests partly on trade unions themselves for they have not risen to the stature expected of them.

Problems like union shop have still not risen in India, for trade union membership is even now a small percentage of the total labour force. Certain steps taken by Government in recent years to help the growth of trade unionism towards self-reliance are briefly as follows:

(1) During the sixteenth session of the Indian Labour Conference, held in May 1958, the representatives of INTUC, AITUC, HMS and UTUC held a meeting and agreed to observe

certain principles for maintaining harmonious inter-union relations. These are, among others, the recognition of the freedom of every worker to join a union of his choice, democratic functioning of trade unions and eschewing violence, coercion, intimidation, or personal vilification in inter-union dealings.

(2) The same tripartite conference arrived at some agreed criteria for the recognition of trade unions. The main points among those criteria are that a union claiming recognition should cover at least 15 per cent of the workers in the establishment concerned (25 per cent in the case of a representative union for an industry in a local area), and that where there are several unions in an establishment or industry, the union with the largest membership should be recognised.

(3) A bill amending the Indian Trade Unions Act, 1926, was introduced in Parliament recently, which has made provisions, *inter alia*, for facilitating registration of trade unions and prescribing a membership fee of 25 nP per month.

Managements and trade unions

The above is an account of what the State has done in order to help trade unionism. It may seem paradoxical, but perhaps managements can also help the process of unionisation among their workers.

Industry has entered the age of automation. The process of economic growth in future will be different from what it has been in the past. According to Rostow, continued growth requires that the society should so organise itself as to continue to apply *tricks of manufacture* "in an unending flow of changing composition". As time passes, competition becomes intense and markets shrink, utmost cooperation will be required between managements and workers. Managements, on their part, are well-organised. But they cannot deal with their own workers individually. The best method of securing the active cooperation of workers in all schemes of modernisation is to have handy a trade union which can speak with authority on workers' behalf, put forward their viewpoint objectively and dispassionately, keeping in view the current problems and aspirations of their workmen and the future of the undertaking or the industry. The union should also be in a position to get the fullest cooperation of workers in its agreements with the management.

No continuance is possible in conditions of conflict or armed truce. Team spirit is essential on the shop floor. Discipline in the past was obtained with the big stick of authority to hire and fire. Ownership is informal today. In the rung of management, employees go up quite high. Workers are no longer a docile lot. Disciplining today can be secured best when it is assumed as a responsibility by the union in return for the best the management can do for workers collectively. That, at least, is the trend in industrially advanced countries. In India, a beginning has been made for apportioning responsibility between managements and trade unions through the Code of Discipline in Industry formulated after a good deal of discussions and consultations in tripartite labour bodies. Since this Code is an epitome of the rights and responsibilities of managements and trade unions in their relationship to each other it is worthwhile giving a summary of the Code here.

According to the Code, representatives of management and unions should agree to encourage constructive cooperation between their representatives at all levels and as between workers themselves. There should be no strikes and lockouts without notice, and neither party should have recourse to coercion, intimidation, victimisation or go-slow tactics as also litigation and sit-down and stay-in strikes.

The managements agree not to increase work loads without prior settlement, not to support or encourage any unfair practice, and to take prompt action for (a) settlement of grievances, and (b) implementation of settlements, awards, decisions and orders. They also agree to take appropriate disciplinary action against any of their supervisory staff responsible for precipitate action by workers leading to indiscipline.

The unions agree, on their part, not to engage in any form of physical duress or demonstration which is not peaceful, to eschew unfair labour practices and to take prompt action to implement agreements and awards. They agree to disavow any action on the part of any union official which is contrary to the spirit of the Code.

Wage policy

A criticism that is usually levelled against trade unions is that they keep on asking for higher wages, and that higher wages start the vicious circle in which wages and prices go on chasing each other. There may be some truth in this criticism, but it is not wholly charitable, for workers ask for higher wages when their real wages start shrinking in the wake of rising consumer price indices.

When planned development of a country is afoot in order to bring prosperity to everyone including the workers, trade unions may perhaps have some duty in weighing carefully their demand for higher wages and the likely repercussion of such demands.

There are three possible alternatives on wage questions in the planning stage: (1) wage freeze (2) no-strike for wage increases, and (3) higher wages only as part of the share in higher productivity by collective bargaining. A wage freeze is not acceptable to trade unions, for that removes from under their feet the very ground on which they stand, and it is only natural that they cannot abdicate their basic function. The same consideration applies to no-strikes issue. As regards linking wages to higher productivity, this question is being dealt with a little later.

The process of wage fixation through wage-boards has been initiated in India, but such fixation, though worthwhile as a stop-gap, is likely to deflate the incentive for higher efficiency, and it is not likely to be conducive to the growth and strengthening of trade unionism.

Modernisation and trade unionism

An important question connected with the future development plans of this country is that of modernisation of the industry. This has come up for animated public discussion in connection with the installation of automatic looms in the textile industry. The replacement of old looms by automatic looms would cause redundancy, wage adjustments, changes in working conditions, need for training facilities, etc. In India capital is scarce while labour is plentiful. In the first flush, therefore, one may conclude that modernisation plans should not be acceptable to the working classes. On a detailed consideration, however, it would appear that this question cannot be settled so easily. The textile industry, like many others, is of international importance. To countries like India this is important not only because it can supply the home market, but it has acquired an increasing importance in the export market. If India continues to produce cloth with out-of-date machines, not only will the cost be prohibitive as far as export potentialities are concerned, but the quality of the products will be out-of-date as far as changing tastes and fashions go.

Trade unions have thus to formulate policies with regard to modernisation with great care, keeping in view not only the interests of workers but also the future of the industry and the national interests.

Higher productivity

In the world of modern industry, higher productivity has become the key to all round progress—higher living standards for the workers, higher profits to the capital, and lesser prices to the consumer. There is no doubt that trade unions cannot, in their own interest, oppose plans for higher productivity, but differences may arise in connection with sharing the benefits of higher productivity. In order that trade unions may not appear to stand in the way of these plans, they have to formulate their attitude on this question. According to an article in a recent issue of the *International Labour Review*, ways of sharing out the benefits of higher productivity should have the following characteristics:

(1) they must be fair and acceptable to all economic agents involved
(2) they must not be likely to entail either inflation or a contraction of
(3) more generally, they must not compromise the prospects of continued economic growth.

The most obvious advantages that can accrue to workers from higher productivity are: higher wages, more leisure or both. Higher wages in undertakings where productivity has gone up may have repurcussions by giving rise to demands for wage increases in other units and may also attract labour from them. A general wage rise may lead to inflation while the second development may cause distortions in the labour market. Trade unions have, therefore, to realise that while workers have a legitimate share in the benefits from higher productivity, irrational distribution of these benefits in which wages take the lion's share might have long-term consequences which are not beneficial to the interests of working classes.

The role trade unions play in raising productivity can prove the most vital factor for future economic development. They can inspire workers to minimise waste of raw materials, better distribution of work loads and help in the improvement of discipline. The Stakhanov movement which contributed so much to the success of Soviet Planning was nothing but workers' participation in finding out the ways and means of raising productivity and reducing cost through better division of work and careful technical suggestions.

Other lines of action

In the interest of social and economic development of the country for which workers stand to gain as much as other sections of the population, trade unions can make contributions in a variety of ways. Some of these are briefly as follows:

(1) The existence of strong well-knit trade union organisations can in itself help a good deal in instilling confidence in the minds of workers about the security of their jobs and this can reflect in confident efforts for the future development of the country. By strengthening their organisation, therefore, trade unions can make effective contribution for the future of the country.

(2) Trade unions can develop their own workers' education programmes and welfare programmes besides supporting the programmes run under the auspices of the State or by the employers. Thus, by attending to the educational, health and cultural needs of their

members they can improve the general atmosphere for progress.

(3) Trade unions can help in small savings drive of the Government and capital formation in the public sector, thus helping in the production of more goods and expanding opportunities for employment.

(4) Cooperation among workers can be encouraged by trade unions, which besides inculcating habits of thrift, can improve the economic condition of the workers.

The road to progress

The advance of modern technological development is making serious inroads into the structure of traditional institutions and it would not be easy to sustain them for long. The vacuum created by the disappearance of the old will be occupied by new institutions in which new relationships will be knit together. The trade union is such an institution, but having been born in earlier times it has also to adjust itself to the speed and efficiency that is required in all institutions at present.

If trade unions in India wish to play a role worthy of them, they have to identify themselves completely with the objectives of the Constitution and the needs of planning. The endeavour in India at present is to take the country speedily to the take-off stage. Since trade unions have a stake in the future economic growth, they can do no better than vigorously help in this process. They can do this by (1) creating confidance through their own strength (2) guiding workers to refrain from anything that retards the country's progress (3) supporting all those plans which lead the country to a self-generating economy, and (4) initiating activities of self-discipline, self-help and self-endeavour to improve social, economic and cultural status of the workers. If trade unions can embark on this fourfold plan of action, they would be able to play a worthy role for the future development of the country.

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ESSENTIALS OF MANAGEMENT

Good management, or scientific management, achieves a social objective with the best use of human and material energy and time, and with satisfaction for the participants and the public. It is no single element, but rather this whole combination, that constitutes scientific management, which may be summarised as :

Science, not rule of thumb

Harmony, not discord

Cooperation, not individualism

Maximum output, in place of restricted output

The development of each man to his greatest efficiency and prosperity.

—MARY CUSHING NILES

The Good Manager

Louis A Allen *

Organisation analysis shows that the work of a manager comprises four distinct functions: leading, planning, organising, and controlling. To fulfil his organisational role, every manager at every level must carry out these activities. When he is not doing these things, he is not managing. Furthermore, he must do them in such a way that their performance constitutes a systematic whole. All sorts of people, after all, can be said to plan and organise their work. But we do not call them managers on that account, any more than we call a mother who gives her child a dose of cough syrup now and then a physician.

THE field sales manager of a large proprietary pharmaceutical house was in trouble. His share of the market started to drop, and competition, pushing hard with new products and effective promotion, had begun to cut sharply into his entrenched market position. Called on the carpet at head-quarters, the sales manager admitted he was losing out, but pointed to his personal calendar showing the calls he had made on a large number of accounts the previous week. "I'm working 16 hours a day to help my men catch up," he said.

Curtly, the Marketing Vice-President commented, "We can hire a man at half your salary to make sales calls. Around here we expect a manager to be manager".

"But I've got to get out and do some work. I won't get anywhere shuffling papers," the sales manager said.

"I'm sorry," said the vice-president, "But if management to you won't succeed in this business." The sales manager was out within the week. Reason for termination: *Weak manager.*

Later, discussing the case with the personnel director, the marketing head was profuse in his praise of the field sales manager's personal qualities. "Pity we had to let him go, but there it was—he just couldn't manage," he explained.

"It is a pity," the personnel man agreed. "And you know, there's something about it that bothers me. Here's a man who, as you've just pointed out, is ambitious, energetic, loyal, decisive, intelligent—yet you've had to fire him. But aren't these the very qualities we're always saying we need in a good manager? Do we really know what we're looking for?"

Our friend is by no means alone in his bewilderment. Despite the vast sums that have been spent on management development since the end of World War II, despite the intensive research aimed at identfying the traits and characteristics of the effective manager, despite all the personality tests, it's still a rare company today that

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is not bemoaning the dearth of managerial skill. Do we indeed know what we are looking for? Isn't it just possible that industry might have achieved more tangible results if, instead of focussing its efforts on trying to find or develop men to fit some preconceived idea of what a manager should be, it had concentrated rather on what he actually does?

After all, it is a matter of everyday observation that good managers come in all shapes and sizes. They can be friendly or reserved, brilliant or plodding, cautious or bold. Their educational backgrounds can run the gamut from liberal arts to nuclear physics, from accountancy to the law. Clearly, these are not any particular kind of man. They are many kinds of men, all doing a particular kind of work—the work that a manager does in managing.

Why Managers ?

And to understand what that work is, we must first be clear in our own minds what a manager is—why he exists at all. Obviously, we do not have managers simply because there are some people who, by virtue of their personal qualities, must be accorded positions of status and authority in the organization. We have managers as a matter of organizational necessity, which is to say, at each level in the hierarchy there is certain work to be done that can only be done by someone hereinafter called *a manager*. Or, to put it another way, if the organization does not have good managers, it must limp along with those it has. It cannot function with no managers at all.

What, then, is a manager? What does he do when he manages? It may well be asked at this point whether these are questions that still require elucidation. A glance at any management library, or at the outline of any one of a hundred classes, courses, and seminars, would certainly suggest that the role and functions of the manager are matters that have long since been settled to the satisfaction of all concerned. A manager, we are told, plans, organizes, directs, coordinates, and controls. But this is as helpful as saying that a physician heals people by diagnosing and treating their symptoms. The key questions are: What work must a physician perform to diagnose and treat his patients? What work must a manager perform when he manages?

This is the question that industry by and large has failed to come to grips with. How many companies today are still selecting, appraising, developing, and compensating managers without having ever stopped to ask themselves, what are these men being selected and developed for? What are we paying them to do? How many individual managers are fumbling through their jobs because they have never clearly grasped why they are managers, or the functions they must discharge to fulfil their organization role?

The Role of the Manager

It is worth reconsidering, then, first, what a manager is. By implication, he is someone who directs and guides the work of other people. Organizationally, this places him in a position where upon him devolves certain work arising out of the activities of those who report to him. He is the only person who can do this work. If it could be done by anyone else, there would be no reason for his existence.

By way of example, let us suppose the chief engineer is allocated $ 1 million to budget for new construction equipment. His three section heads submit requests totalling $ 1,25,000. Can the chief engineer allow any one of his section heads to decide how to slice the pie? He can consider their recommendations, but he must make the final decision himself as to how the funds are to be allocated.

More specifically, then, we can define a manager as someone who is so placed organizationally that only he has perspective, objectivity, and balance with respect to the varying and sometimes conflicting needs of his subordinates. Hence, his work consists of doing those things that his subordinates do not have the perspective or objectivity to do for themselves.

This, however, is only one side of the coin. For, while the manager is a leader in that he has other people reporting to him. It must be remembered that in turn he reports to his superior. Thus he is also a follower — a member of somebody else's team. This dual role can bring, and usually does, a host of opposing forces into play. If he wants to be an effective follower, the manager's first loyalty must be to his own boss and to others on his own level. Yet, as often as not, all these people will have interests at variance with those of his own subordinates.

Consider, for example, the predicament of the sales manager of a large food company. Top management set a new sales target—a 12 per cent increase in volume, a 5 per cent improvement in profit, and an across-the-board improvement in share of market. Branch and district managers eagerly responded to the challenge. But when they submitted their budgets, it was obvious that, in their view, the improvement meant large additional commitments in advertising, sales promotion, and sales expense. The edict came down from top management: "More sales, but no more money." Subordinate management stubbornly retorted, "No soap, no laundry."

How the man in the middle—the sale manager—resolved this particular quandary is neither here nor there. His case serves merely to point up the reason why we have a man in the middle at all. He is needed to reconcile the interests of both his subordinates and his superiors; he is the catalyst that makes teamwork possible between two successive organizational levels. And he fulfills his role as a catalyst by performing the work that only he can do —the work that neither his boss nor his subordinates are organizationally placed to do.

What is this work that only the manager himself can do? Organization analysis shows that it comprises four distinct functions: leading, planning, organizing, and controlling. To fulfil his organizational role, every manager at every level must carry out these activities. When he is not doing these things, he is not managing. Furthermore, he must do them in such a way that their performance constitutes a systematic whole. All sorts of people, after all, can be said to plan and organize their work. But we do not call them managers on that account, any more than we call a mother who gives her child a dose of cough syrup now and then a physician.

Management Leading

According to all the textbooks, the manager is first and foremost a planner —someone whose prime job is to set goals and targets for himself and his group, in the light of the larger objectives of the enterprise as a whole. It is this how business actually operates? What are plans without people? The primary task of the manager is to build and lead his team. More than any one other factor, the personality and calibre of his people will would and determine his plans, organization, and controls.

Leading, as a management function is the work a manager does to cause others to take action. But this action, it must be remembered, takes place in a setting that significantly limits the manager's powers of a command and direction. On the field of battle, the man who refuses to obey orders is summarily-shot. In the everyday world of work, the worst that can happen to him is that he gets fired, which is not necessarily an invariable deterrent to insubordination. The manager, then, cannot hope to secure *followship* solely by virtue of the authority vested in him as boss. Nor can he be expected to achieve it simply by sheer force of personality. The power of even the great leader derives as much from the nature of his goals as from the personal influence he exerts upon his followers. Still less can the average manager lead in the sense of merely being the kind of person whom others enthusiastically follow. He must secure his results through doing —the systematic practice of the skills through which work gets done.

The skills of leadership

A manager leads, then, by performing identifiable, measurable work:

First, initiating—the work a manager does to insure that everything that has to be done gets underway. The manager is responsible for introducing the original action that later will become routine with his subordinates.

Second, decision making—the work a manager does in arriving at conclusions and judgments based on the logical analysis of alternatives. The manager makes as few decisions as possible for any individual subordinate, but he makes most final decisions for his group as a whole.

Third, communicating. It goes without saying that unless the manager can get others to understand what he has in mind, and unless he in turn understands his subordinates and has a keen ear for what is on their minds, what actually gets done is likely to bear a somewhat remote resemblance to what was meant to be done. Hand in hand with communication goes participation—ensuring that all members of the team have an opportunity to share in the decisions affecting them.

Fourth, motivating—the most complex and in the final analysis, the most important of the leadership skills. However carefully the manager may initiate action, however soundly he may decide, however skilfully he may communicate, all these things rolled into one are not enough to ensure more than the routine carrying out of an assigned task. How does the manager secure top performance? Motivation, as well all know, comes from within — each of us achieves only what we want to achieve. Nevertheless, how far we set out sights depends on no small part on how we view our present situation. If there seem to be no opportunities for advancement, if capable employees earn no more and sometimes less than mediocre ones, if no one apparently notices whether the job is well done or not, we are not likely to be burning to give our all to our work. The manager is accountable for establishing the conditions that stimulate and spur people on.

Fifth, selecting people—choosing those who are not only qualified for the job but are also most likely to be compatible with the other members of the team.

Sixth, developing people — by careful appraisal of performance and individual counselling and coaching aimed both at improving present performance and developing latent skills and abilities to their fullest extent.

Because leadership is so visibly a key management function, and because leadership skills are primarily the skills of human relations, there has been a natural tendency to conclude that sound human relations and effective management are one and the same thing. But many companies that have predicated their management development programmes on this plausible assumption are now learning to their dismay that human relations training does not automatically produce good managers, any more than a soothing bedside manner makes a doctor a competent diagnositician. The manager must be a leader, but he must be much more besides. Causing others to act is a futile undertaking unless the action taken is purposeful, economical, and productive. To make it so, the manager must also master the skills of planning, organizing, and controlling.

Management planning

Before his people take action, the manager must think through what that action should be, under what conditions it is to be carried out, when it is to be done, and what is needed to accomplish it. This is management planning– the work a manager performs to predetermine future action. It involves establishing a clear-cut and detailed picture of the end results desired and the path the manager expects to follow to achieve them.

"The principal concern of business leaders", says Ralph J Cordiner, Chairman of the General Electric Company, "should be the plans that need to be made now to ensure that the company will be in a position to meet the conditions of the future and fulfil its opportunities." To be complete, planning must comprise the following activities:

Forecasting—the assessment of future economic, social, and political conditions to determine their probable influence on projected activities.

Setting objectives—establishing specific, quantitative goals or targets which will guide all operations. "Only through complete common knowledge and understanding of what we are trying to do can the management team be successful", says Clinton F Robinson, President of The Carborundum Company. "Furthermore", he points out, "all our decisions and actions as executives of the company should be directed toward achievement of our objectives."

Programme—the process of stating clearly, in writing, the specific sequence of activities to be followed in reaching objectives and setting priorities for carrying them out.

Scheduling—establishing a time sequence or completion date for each programmed item.

Setting procedures—statements of uniform methods to be followed in performing designated work so that it will be carried out in a standardized manner.

Budgeting—the allocation of resources, including materials, man-power, and facilities, so as to accomplish objectives and carry out programmes with the greatest economy and effectiveness. Since money is the common denominator, a budget is usually stated in financial terms. On this account, it is often thought of as the exclusive province of the controller. Budgeting, however, is part and parcel of every manager's job.

Organising

"Our first big job, and the most important," said Henry Ford II in 1947, when confronted with the task of retrieving the Ford Motor Company from near disaster, "is organization". Organizing is the work a manager does to develop sound structure, delegate responsibility and authority, and establish working relationships that will facilitate the attainment of his objectives.

In developing organization structure, a manager first identifies the work that has to be done to accomplish the goals he has set. He then groups the work to form well-balanced organization units. He builts into each position the responsibilities necessary to accomplish the goals, and sees to it that each such position is made up of related work that can be performed by one person.

Delegation is an indispensable component of good organization. It is the manager's business to see that each operating decision is made at the lowest level at which it can reasonably and safely be made. Thus, in delegating, the manager assigns responsibility of every person reporting to him, to ensure a minimum of duplication and of working at cross purposes.

The final component of management organization is the establishment of sound and consistent relationships among the positions that report to the manager. This entails distinguishing between line and staff and clarifying the reporting relationships among his subordinates and between his own and other groups.

Management controls

Obviously, if the manager had to inspect every piece of work done by each of his subordinates, he would get nothing else done. Hence he must develop controls to ensure that the work carried on under his supervision does not require his personal attention except in exceptional cases.

Management controls are achieved through:

1. Standards of performance—the yardsticks by means of which the manager assesses the work of the people who report to him. He derives these standards directly from the objectives, policies, programmes, schedules, and budgets he has established as his initial plan.

2. Performance measurement—achieved through reports and records of work in progress and completed.

3. Evaluation—the comparison of actual performance against the standard and identification of variances and exceptions.

4. Corrective action—taking whatever action may be necessary to bring exceptions back into line.

It is worth noting that the greatest potential for management control exists at the lower organizational levels. The chief areas of control are at the foreman's level because foremen have the major say in requisitioning the bulk of materials and supplies, in determining the size of the labour force, and in the spending of much of the company's money. Alert companies have recognized that effective controls can only be exercised by managers close to the point where operations are going on. When control reports are funnelled upstairs they have historic interest, but are about as useful as yesterday's newspaper.

The Job and the Man

Leading, planning, organizing, and controlling—these, then, are the activities that comprise the manager's job and the only activities on which a man's performance as a manager can be judged. It is worth asking again, do these activities presuppose, on the part of the manager, some particular blend of personal traits and qualities? Obviously, they cannot be performed by stupid men, or by men whose interests are so one-sided as to preclude all possibility of their being willing to muster the wide range of skills encompassed by the managerial job. But the skills themselves are not part and parcel of the personality of those who happened to exercise them. Temperament and ability merely determine the way the job is done. And obviously there cannot be any *one best way*—a management team composed entirely of aggressive managers, or stable managers, or tactful managers, or any other preferred type of manager, would be fatally handicapped by the total lack of balance in its operations.

In the interests of over-all effective functioning, management selection and training must focus, therefore, on the total work a manager must do to fulfil his organizational role. Men must be selected for their capacity, either demonstrated or potential, to master this work—the four key management functions. They must be trained in the exercise of the skills these functions entail. And they must be appraised and compensated against standards that reflect their performance of all those skills. Industry, in short, must learn to view the managerial job as a systematic whole. Only then can it hope to produce managers who can be called professionals in any meaningful sense of the word.

* * *

True Scientific Management calls for a unifying point of view and a unity of interests and of efforts seldom present in a particular establishment. The directors must understand it in purpose and principle; that it is a matter of development, not installation; that it is in the nature of an investment, the returns from which, though great, may be deferred; that the development takes time and patience. The active managers, all of them, must understand these things and have great skill in developing new standards to supersede obsolete standards, and in substituting the new for the old without interrupting orderly processing. And especially must management be skilled in aiding workers to understand the purpose and meaning of Scientific Management and in maintaining their confidence in the purpose and in the management.

—HARLOW S PERSON.

npc

THE process of consolidation of various programmes generated by *npc* is progressing briskly. While the implementation of the comprehensive training activities through the Local Productivity Councils and various institutions and organisations in the country is receiving the highest priority, the tempo of other activities pertaining to the programme of Productivity Teams and Training Abroad, implementation of the recommendations of Productivity Teams, effective utilisation of the trainees in India, inter-plant visits, audio-visual activities, etc continues to correspondingly mount.

With the establishment of 40 Local Productivity Councils throughout the country the demand for the *npc* training courses has been constantly growing. In the training courses greater emphasis is being laid for stimulating the training of trainers. The objective is that senior personnel from industry, firms of consultants, institutions, associations and organisations should be trained so that they may train others in turn, apart from applying productivity techniques in their own areas of operation.

An account of the activities generated by *npc* during the previous month has been detailed in these pages.

TRAINING PROGRAMME

Two long-term training courses—12-week course in Work Study and Tool Manufacturing and Engineering Course—have just been concluded at Amritsar and Madras respectively. A Work Study Course for Textile Industry has also been recently conducted at Delhi and a ten-day Management Development Programme at Hyderabad and Bangalore.

Among the courses currently being conducted at different places in the country are: (i) Work Study Course at Ahmedabad, (ii) Management Development Programme at Asansol, (iii) Personnel Management Course at Bombay, and (iv) Methods Analysis Course at Bombay and Calcutta. These courses will be completed during November and December.

Following demands for these courses from other parts of the country, a schedule of the various courses has been drawn up for the next three months. This programme includes: (i) 12-week Tool Manufacturing and Engineering Course at Ludhiana in November, (ii) Work Sampling Course at Delhi in November, (iii) Management Development Programme at Jamshedpur in December, (iv) Four-week Marketing Course at Bombay, (v) 12-week Work Study Course at Madras in January, (vi) Production Planning and Control Course at Calcutta in January, and (vii) Three-week Personnel Management Course at Visakhapatnam in January, 1961 and Calcutta in February, 1961.

Notices have recently been inserted in the Press regarding the *npc* training courses scheduled for the next three months. Within the first ten days of the issue of these notices as many as 1000 queries asking for information about these courses and evincing interest in them have been received. This is indicative of the keen interest generated in the industry for training in subjects of industrial productivity.

MANAGEMENT DEVELOPMENT PROJECT

The first phase of the NPC-ILO Management Development Project commenced at Bangalore on 15 November. The Bangalore programme consisted of a high-level Advanced Management Programme for four weeks for senior executives drawn from senior managers and heads of departments of organisations of national importance in the public and private sectors. The programme was specially designed to cater for the needs of men in Indian industries who are charged with the implementation of control of the policies made by Company-heads and Boards of Directors.

The second phase of the Project—a three-day Conference of Indian industrial leaders—will be inaugurated by the Prime Minister in New Delhi on 16 December. The Union Finance Minister, Shri Morarji Desai will address the closing session on "The Future of Private Enterprise in India's Mixed Economy". The Delhi Conference will deal with fundamental problems of money, materials, machines and management. Leading personalities of the industrial world are expected to address the Conference on such subjects as "Opportunities for growth and Development", "Equipping Industry—economic considerations in purchasing plant and machinery", "Developing Tomorrow's Managers", "Making the most of fixed Assets", "Management and the Worker", "The Management Development Project", "The Changing Pattern of Management in India", "Management Development in Public Enterprises" etc. These subjects will afterwards be considered in group discussion by the industrial leaders. Among those who have agreed to address the Conference are Shri G D Birla, Shri Naval H Tata, Mr Russel Currie, Head of the Central Work Study Department of Imperial Chemical Industries, Mr C R Wynne-Roberts, Head of the Management Development Unit, ILO, Mr S H Turner, Chairman, Hindustan Levers, Mr R L Mitchell, Chief of the ILO Productivity Mission in India (attached to *npc*), Prof Pietro Gennaro, Professor of Marketing, University of Milan, and Mr John A Paterson, Partner, Robson Morrow Co.

PRODUCTIVITY TEAMS AND TRAINING ABROAD

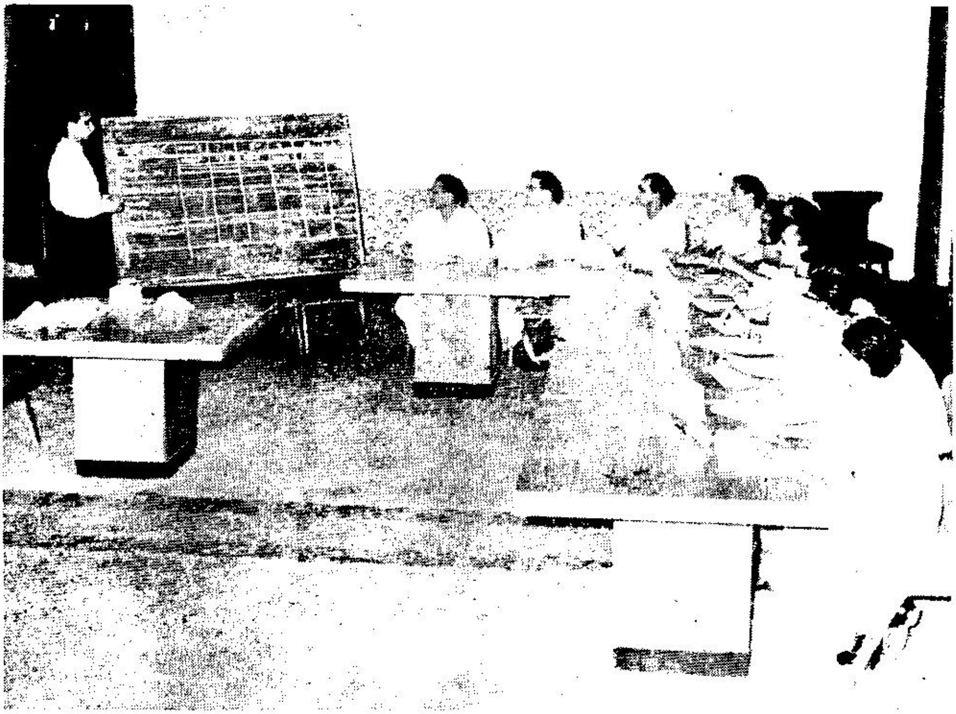
The foreign aid programme of *npc* is continuing apace. Practically every month some teams are proceeding abroad and others are returning from their study of various aspects of productivity techniques in the industrially advanced countries in Western Europe, the USA and Japan.

All the 12 productivity teams for 1960 under the TCM aid have gone abroad, out of which nine have returned in recent months. These teams are: (i) Maintenance, (ii) Industrial Safety, (iii) Sugar Industry, (iv) Plant Lay-out, (v) Packaging Industry, (vi) Stores and Inventory Control, (vii) Cost Accounting and Financial Control, (viii) Foundry, and (ix) Supervisory Training.

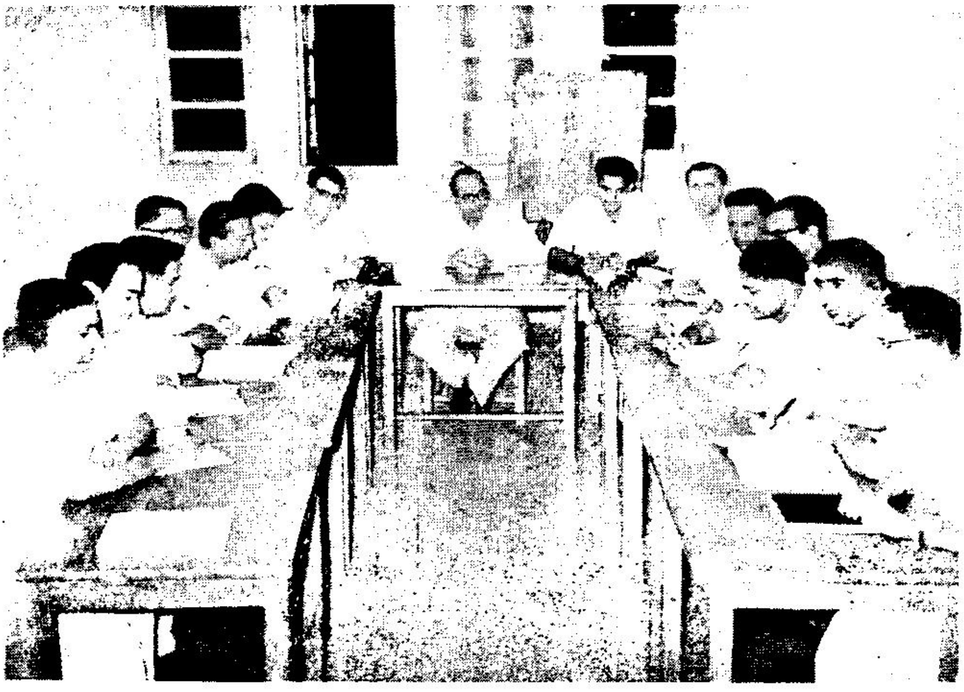
Reports of the returning teams are now under preparation. The foundry team has already submitted an interim report of their study tour of the USA. The three teams on incentives in

Mr C R Wynne-Roberts, Head of the Management Development Unit, Economic Division, ILO, speaking at the inauguration of Advanced Management Development Programme at Bangalore

Part of the audience at the inauguration of the Advanced Management Develo Programme



Supervisory Training Course at Dalmianagar



Management Development Course at Nagpur

The President of Madurai Productivity Council, receiving TCM library books from NPC Regional Director, Madras

NPC Regional Director, Madras, handing over TCM library books to the Secretary, Andhra Pradesh Productivity Council

Participants in the Middle Management Course at Baroda

Executive Director, NPC presents TCM books to the President, Madras Productivity Council industry, materials handling and marketing and distribution are still abroad and are expected to return to India towards the end of December.

For effective implementation of the recommendations of individual productivity teams, an Implementation Committee has been constituted. Various Associations of Industries, Union Ministries, Development Councils, State Governments and Directors of Industries have been addressed for securing their cooperation in the implementation of recommendations of the productivity teams. Local Productivity Councils have been asked to organise programmes of the nature of seminars, conferences, symposia and study groups for participations of the team members so that they may be able to disseminate to others the knowledge and experience gained abroad by them. At the same time Dr P S Lokanathan, Chairman, *npc*, has addressed all the team members individually urging them to participate in various activities organized by LPCs and other institutions.

Likewise, in the programme of training abroad, steps are being taken for utilisation of the knowledge and experience of the participants who have returned after completion of their training abroad, for wider dissemination in the industry. A conference of the trainees under TCM and French Government aid was recently convened by *npc* at Delhi, when the participants suggested, inter-alia, various ways and means for better utilisation of the training facilities. The suggestions made by these participants will be considered by *npc* and the programme of future training abroad reoriented in the light of these suggestions.

Fifty trainees were scheduled to be sent abroad under TCM aid during the current year, out of whom 45 have already been sent abroad so far. The placement of the remaining five candidates will be finalised in December.

The Foreign Technical Assistance Committee of *npc* had a two-day meeting when it determined the composition of five productivity teams to be sponsored under TCM aid and an equal number of teams under USSR aid during 1961. The teams that are scheduled to go under TCM aid are on the following subjects: (i) Paper, (ii) Machine Tools, (iii) Automobile Ancillaries, (iv) Quality Control in Industry, and (v) Welding. The teams under USSR aid cover the following subjects: (i) Coal, (ii) Iron and Steel, (iii) Oil, (iv) Machine Building, and (v) Textile Industry.

The programme of foreign training during the year 1961 is also being pursued vigorously. The Council will sponsor 50 candidates for training under the TCM aid and 25 under USSR aid. Applications for these fellowships have been received from LPCs and other sources. A Selection Committee will meet in December to select participants under the above fellowships.

IN-COUNTRY PRODUCTIVITY TEAMS

The programme of in-country productivity teams continues to be expanded. The Kolhapur Productivity Council formed one in-country team on diesel engine industry, which visited Bombay, Poona and Rajkot in November. The Rohilkhand Productivity Council constituted an in-country team on sugar industry which will visit seven places in Maharashtra in January. Similarly, the Madras Productivity Council set up another in-country team on industrial relations which visited Bombay and Ahmedabad for a week in November. The in-country team on general engineering constituted earlier by the Salem Productivity Council visited 12 industrial units in Mysore State. The Faridabad Productivity Council proposes to form one in-country team on human relations. The Batala and Kerala Productivity Councils have also plans to form one in-country team each on machine tools industry and small industries respectively.

The in-country team on small scale industries, constituted by the Baroda Productivity Council, has submitted its report which has been published and circulated by the Council. Similarly, the report of the in-country team on radio industry constituted by the Bombay Productivity Council has recently been published and circulated.

AUDIO-VISUAL ACTIVITIES

Alongside other programmes of *npc*, audio-visual activities are also being organised practically all over the country as part of its productivity drive.

A three-day programme of exhibition of productivity films was arranged for Management Executives in Delhi in November, under the joint auspices of the Delhi Productivity Council, Delhi Management Association, Punjab and Delhi Chamber of Commerce and Industry with the assistance of USIS. The films shown on the occasion were selected by a panel of experts from DPC, DMA and Punjab and Delhi Chamber of Commerce. In addition to this, 26 film shows were arranged during the month in different industrial centres such as Ahmedabad, Bombay, Poona, Jaipur, Cochin, Madras Coimbatore and Tiruchirapalli.

LOCAL PRODUCTIVITY COUNCILS

The Local Productivity Councils and other allied institutions have been functioning actively for intensifying the productivity drive in the country, as shown in the following brief notes:

AMRITSAR: 12-week Work Study Course concluded in October. The Council held a certificate distribution ceremony on 30 October under the presidentship of Dr P S Lokanathan, Chairman, Governing Body, *npc*.

ANDHRA: Three-week Industrial Executives' Course and a TWI Project, held in October. The Council held a function recently when the *npc* Regional Director presented TCM library books to the Council. Three-day Seminar on Tool Manufacturing and Engineering scheduled from 2 January; Supervisory Training Programme scheduled in March; Advanced Work Study Course scheduled in April.

ASANSOL: Management Development Programme held in November.

BARODA: Seminar on Executive Development Programme; Talk on In-Plant Executive Development Programme, given in October. Nine-day Supervisory Training Programme scheduled in January. Nine-day Conference Leadership Course; one-week Course on Stores Reorganisation scheduled in February; Marketing Course scheduled in March/April.

BATALA: The Council proposes to form one In-Country Team on Machine Tools Industry. Participants from Batala completed the 12-week training course in Work Study at Amritsar.

BOMBAY: 12-week Course on Operation Analysis and Methods Improvement being currently conducted by Mr John R O'Hearn and *npc* Officers Shri A A Niazi and Shri H A Jhangiani; 10-week Personnel Management Course being currently conducted by Mr W G Eklund and *npc* Officer, Shri K Prasad, under the joint auspices of the Council and Indian Institute of

Personnel Management; three-week course on Work Simplification in Office conducted by Productivity Centre under the joint auspices of the Council and Work Study Association, Bombay in October. Seminar on the observations of the in-country productivity team on Radio and Radio Appliances; Seminar on Productivity (in Marathi), held in October. One-week Marketing Seminar scheduled in December; Marketing Course scheduled in January/February.

CALCUTTA: 12-week Course on Methods Analysis currently being conducted by Mr Huge R Remke, and *npc* Officer, Shri K P Bose.

COIMBATORE: Seminar on Marketing conducted by Dr G G Barnewall, and *npc* Officer, Shri V Ramachandran under the joint auspices of the Council and SITRA; Pilot Project at Coimbatore Premier Corporation started on 24 October; Method Study Course (follow-up) being currently conducted by *npc* Officer, Shri M Gopal Rao, in October. Council organised a function in connection with handing over library books by *npc* to LPC. Work Study Course (in Tamil) for Trade Union Leaders held in November.

DALMIANAGAR: One-week Supervisory Training Course held in November.

DELHI: Two-day Seminar on (i) Marketing Personnel and (ii) Methods and Tooling Utilisation, held in October. Dr P S Lokanathan inaugurated the Seminar which was addressed, among others, by Mr Omar L Dewitt and Dr G G Barnewall. Three-week Course on Work Sampling held in November.

EASTERN U P: Seminar on Productivity held in November.

FARIDABAD: Two-day Seminar held in October; Subjects: (i) Marketing Personnel, (ii) Work Study, (iii) Methods and Tooling Utilisation. Course on Stores and Inventory Control. Course on Marketing and Sales held in November.

The Council proposes to constitute one in-country team on Human Relations in Industry.

HASSAN: Seminar on Industrial Management held in November.

INDORE: Work Study Course held in November; Seminar on Management Development scheduled in January.

JAMSHEDPUR: Senior Executives' Course scheduled in December.

KANPUR: Conference on Industrial Management scheduled in December. Report of Council's In-Country Team on Light Engineering Industries has been published and circulated.

KERALA: Two-week Executive Development Programme conducted by *npc* Officer, Shri K N Warriar; Talk on Plant Management by Shri T A K Nair jointly with Kerala Institute of Management; Talk on Quality Control and Operation Research by Dr Knowler given in October.

KOLHAPUR: Seminar on Productivity held in October. Council has constituted one in-country team on Diesel Engine Industry which visited Poona, Bombay and Rajkot in November.

KUTCH SAURASHTRA: One-week Management Development Course conducted by Mr Ellis O Keller in October. Nine-day Work Study Appreciation Course scheduled in December; two-week Work Study Appreciation Course scheduled in January; one-week Course on Stores Reorganisation scheduled in January; one-week Course on Work Study Appreciation scheduled in January; three-week Management Development Course scheduled in January/February; two-week Work Study Appreciation Course scheduled in February.

LUDHIANA: 12-week Course on Tool Manufacturing and Engineering.

MADRAS: 12-week course on Tool Manufacturing and Engineering conducted by Mr K C Jasper and *npc* Officer, Shri M M Jacob, concluded in October; three-day Seminar on Tool Manufacturing and Engineering conducted by Mr K C Jasper in October. Seminar on the Report of Road Transport Team held in November; two-week course on Trade Union Principles and Practices in Tamil scheduled in December; Advanced Work Study course scheduled in January. The Council has constituted one in-country team on Industrial Relations which will visit Bombay and Ahmedabad in November.

MADURAI: Ten-day Supervisory Training Course conducted by *npc* Officer, Shri M Gopal Rao; Quality Control Course conducted by *npc* Officer, Shri B Ananthakrishnanand, in October. The Council organised a function in connection with the handing over of TCM Library books to the LPC and distribution of certificates to participants of SQC and Supervisory Training Courses. Six-week Work Study Course: Seminar on the Report of Road Transport Team held in November.

MANGALORE: Course on Stock Control conducted by *npc* Officer, Shri D L Amin; Seminar on Stock Control; Talk on activities and objectives on *npc* by Shri D L Amin, given in October. Executive Development Programme held in November.

MYSORE STATE: Course on Management Accounting conducted by Mr J A Patterson; Seminar on Management Accounting, held in October. Speakers at the Seminar included Mr M K Mathulla, Managing Director, Hindustan Machine Tools, Ltd., Prof R Natarajan of Indian Institute of Science, Bangalore and Mr J A Patterson. Shri V Narahari Rao, former Auditor-General of India, presided. Course on Tool Manufacturing and Engineering, and course on Plant Maintenance, held in November.

POONA: Three-week Management Development Course conducted by *npc* Officer, Shri K Prasad, in October; Four-week Course on Statistical Quality Control currently being conducted by SQC Unit, Bombay, Follow-up of Management Development Course; Course on Stores Re-organisations, scheduled in December; Marketing Course; Marketing Seminar, scheduled in January.

RAJASTHAN: Eigh-day Work Study Appreciation Course conducted by *npc* Officer, Shri M N Unni Nayar, in October. Three-day Management Development Course scheduled in January/February.

ROHILKHAND: Course on Cost Reduction held in November. The Council has formed one in-country team on Sugar Industry.

SALEM: Follow-up of Work Study Course being currently conducted.

SURAT: Course on Materials Handling conducted by Shri N S Mani, Head of the Electrical Engineering Department, Sarabhai Chemicals, in October.

TIRUCHIRAPALLI: Seminar on Marketing conducted by Dr G G Barnewall and *npc* Officer, Shri V Ramachandran, in October. Quality Control Course held in November; Supervisory Training Programme scheduled in December.

VIDARBHA: Ten-day Work Study Appreciation Course scheduled in February.

AHMEDABAD MANAGEMENT ASSOCIATION: 12-week Work Study Course being currently conducted by Mr Jackson and *npc* Officers Shri Jhangiani and Shri Niazi.

BOMBAY MANAGEMENT ASSOCIATION: Conference on Motivation and Morals held in November.

DELHI MANAGEMENT ASSOCIATION: Discussion Meeting on Newspaper advertisement as an aid to Business held in October.

INSTITUTE OF MANAGEMENT, VISAKHAPATNAM: Work Study Application Course scheduled in November; Personnel Management Course scheduled in February, 1961.

INSTITUTE OF MANAGEMENT, MANGALORE: Discussion Meeting on Operations Research and Management, held in October; Executive Development Programme held in November.

INSTITUTE OF INDUSTRIAL ENGINEERS (INDIA) BOMBAY: 10-day Course on Production Planning and Control for Senior Executives jointly with Productivity Centre, Bombay, held in November.

INDIAN INSTITUTE OF PERSONNEL MANAGEMENT, BANGALORE: Seminar on Personnel Management held in November.

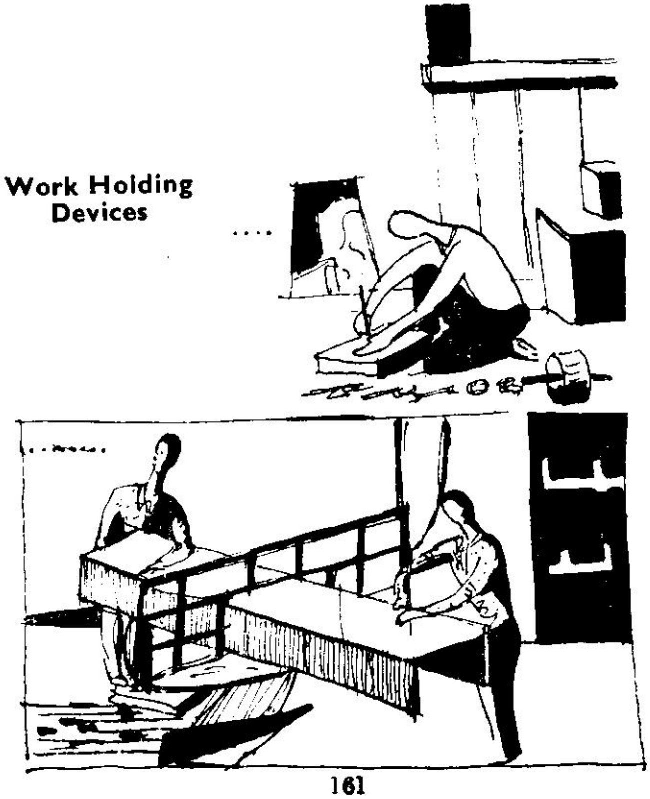
SMALL INDUSTRIES SERVICE INSTITUTE, TRICHUR: Course on Business Management held in November.

HINDUSTAN SHIPYARD LTD., VISAKHAPATNAM: Executive Development Programme scheduled in February, 1961.

ATIRA: Annual Technological Conference inaugurated by Shri Kasturbhai Lalbhai at Ahmedabad in November.

WORKERS' EDUCATION CENTRE, BANGALORE: Programme on Workers' Education held in November.

DANDELI INDUSTRIES ASSOCIATION: Course on Quality Control held in November.



Management Studies

R NATARAJAN*

Breadth of outlook alone is not sufficient training of a manager. He should be aware and appreciate the use of certain techniques, specifically useful in the management field. These techniques may be broadly classified as: organisational, analytical, synthetical and motivational techniques. Depending upon the type of industry, and the position held by the manager, the subjects should be dealt with varying emphasis.

THE subject of Management Studies is receiving considerable attention even in the most advanced industrialised country like the United States of America. In India, where industrialisation is yet to make much headway, this subject of Management Studies is of crucial importance.

The importance of Industrial Management has been emphasised by many leading economists and industrialists. Bresch has said that "it is not mainly better machines and procedures or more research and finance that will provide the real solution of Britain's industrial problems but better managers and systematic training of managers in management." J K Galbraith, the famous economist wrote in his report to the Indian Government that "it is in the field of organisation and administration, not economics, where the most serious dangers will be met. It is here that Indian leaders are being least guided by experience and are reflecting least deeply on their course." In the 1958 ILO Conference at Geneva Mr Chinai, Employers' delegate for India, said that he could not conceive of any other factor so vital to rapid and yet sound economic development as good management of Enterprises. Mr Merani, the Government Adviser reinforced Mr Chinai's statement by concluding that "the development of Productivity Movement, satisfactory labour-management relations, full utilisation of resources, adequate planning, to name but a few instances, depend to a large extent, upon adequate and progressive performance of the management functions."

Our Second Five Year Plan emphasises the need of industrialisation in a significant manner. "Greater stress is being laid in the Second Plan on the development of the industrial base of the economy i.e. on the development of basic industries, such as those producing iron and steel, heavy machinery, electrical equipment, basic chemicals and on the fuller exploitation of the mineral wealth of the country."[1] Out of a total outlay of 5600 crores, in the public and private sectors, 1400 crores are for Industries and Mining including small scale industries i.e. 25% of the outlay.

In spending this large amount, it is our duty to see that it is spent wisely, effectively and in furtherance of our objec-

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[1] Second Five Year Plan—Summary of Plan Frame Papers, Government of India.

tive. The proper understanding and utilisation of the techniques and tools of management will increase the Industrial efficiency. Stafford Beer states: "From our models we learn that every few per cent of increased productivity that is obtainable by sheer labour effort, something between 20% and 50% is available—in terms of better *body tone* of truly organic behaviour. This could be achieved, according to our research, in terms of smoother flow, better planning, better machine loading, better servicing, and better communication and control."[2] These are essentially management functions.

The present picture

If therefore the necessity for Industrial Management education is accepted, let us consider how we can plan the future of this education.

In India to-day, there are about 8000 registered factories, according to the Industries Act of 1942. There should be at least one top manager in each of the factories, a total of 8000 top managers. There are about 18 lakhs of workers in these factories. Computing on the basis of one first-line supervisor for every 20 workers, there should be 90,000 first-line supervisors. And for every 10 first-line supervisors, if we allow one middle supervisor, there should be 9,000 middle management personnel. The broad picture therefore is:

Top Management	.. 8,000
Middle Management	.. 9,000
First-line Management	.. 90,000
	1,07,000

Majority of these management personnel have risen from the ranks. They have therefore not the formal education or training in management. Those that have not risen from the ranks, particularly on the top echelons, are the sons, sons-in-law, or nephews of the Managing Agents and who also have little or no formal management education.

Subjects for Management education

What subjects should the different levels of management be taught? It is generally agreed that objectivating, planning, organising, assembling the resources, directing, controlling, coordinating and motivating are the essential functions of management. Every level of supervisors should know these subjects to a greater or less extent. The higher the level of management, the more pronounced the requirements of knowledge and experience.

In order to perform these functions significantly, certain breadth of outlook is necessary. In his article on the "Specific Needs for Leadership in Management," Gilbert W Chapan writes: "The future security of this country and the world rests upon the ability of our educational system to develop the highly educated man. Well balanced maturity which is essential to our society must emanate from the Universities. We shall need well-trained and analytical minds that can appreciate the problems that surround them. In the days ahead, which will be full of international tensions and great economic challenge, the moral and spiritual strength which comes with the educated mind will be essential to the preservation of our society."

In this context, the experiment carried by the Bell Telephone System of America to train their executives may be of interest. The Bell system has more than 700,000 employees and is the biggest industrial organisation in America. W D Gillen, President of the Bell Telephone Co of Pennsylvania was intensely interested in education for Executive

[2] 1956 George Bray Memorial Lecture.

Leadership. In association with Dr Morse Peckham, as the Director, the Institute of Humanistic Studies for Executives was sponsored by Pennsylvania Bell. Seventeen Bell Executives were carefully selected, all from the middle level of management. The Course lasted 10 months, with such varied subjects as Bhagvad Gita, *Monkies*, and the *Tale of Genji*, the study of James Joyce's *Ulysses*. Music, art, architecture, literature were all part of the Course. One of the participants summed up his feeling at the end of the Course as follows: "Before this Course, I was like a straw floating with the current down the stream. The stream was the Bell Telephone Company. I don't think I will even be like that straw again." Again another participant stated: "I have been much more efficient in organising the relevant facts and placing alternative courses of action in sharp focus. Although I now see more angles and am less sure that any particular decision is the right one, I am aided in making it by the realisation that there is probably no *one* right solution to many problems. I am now much less upset and more able to learn by mistakes."

Breadth of outlook alone is insufficient training of a Manager. He should be aware and appreciate the use of certain techniques, specifically useful in the management field. They may be broadly classified as: Organisational, analytical, synthetical and motivational techniques. Depending upon the type of industry, and the position held by the manager, the subjects should be d with varying emphasis.

To start with, there may be a two-week appreciation course for top executives, twelve-week appreciation and analytical course for middle management and a four-week appreciation, analytical and technical course for first-line management. Ten percent of the first-line management should be given an intensive course lasting 24 weeks in any one or two subjects such as Work Study, Production Planning and Control, Quality Control, Cost Accounting, Industrial Psychology, Job Evaluation and Wage Structure. The total overall period therefore works out to:

Management		*Weeks*	*Man Weeks*
Top	8,000	2	16,000
Middle	9,000	12	108,000
First-line	90,000	4	360,000
Technical	9,000	24	216,000
		Total	700,000

If 20 persons form a Group, number of Group weeks ... 35,000

If 40 effective weeks are considered in a year ... 875 Group years.

If it is proposed to give this training in a 10 year period 88 Centres should be opened working through the year.

To this period should be added
a 10% for Wastage
a 10% for Refresher Course
adding 20% to the number of Centres which should be 106.

Future entrants to managerial positions

Our Prime Minister has visualised doubling the industrial production in 7 years. Even at conservative estimate, if we allow 10 years, with a 50% increase in management personnel for doubling production, the increase will be:

Top Management ..	4,000
Middle Management ..	4,500
First-line Management ..	45,000

The training for first-line management should be the responsibility of the enterprises, with such assistance as the Universities, technical institutions, Associations like the Management Associations, Institute of Production Engineers, and Governmental organisations like National Productivity Council and the Productivity Centre, can offer. The training for middle and top management should be more pronounced and undertaken by educational institutions. A nine months' day course—straight-through or sandwitched will answer the purpose. This suggestion will mean a training of 850 managers per year for 10 years to come. If 50 persons can be trained at a time in an institution, 17 institutions should be nominated for this purpose. The evening courses have not been taken into consideration as they may serve as a buffer stock.

Costs

For 106 training centres:

	Rs per month
Rent	200
Director (1)	1,000
Lecturers (3)	1,500
Clerical (2)	300
Messengers (2)	400
& class IV (2)	
Office expenses	350
Contingencies	300

Rs 4,050 per month i.e. say Rs 50,000 per year.

For 106 centres Rs 53 lakhs per year.

For 17 institutions conducting the day course, it has been computed on the basis of experience in the Indian Institute of Science, Bangalore that each candidate may cost Rs 1,500 for the course, half of it may be collected as fees from the candidate or the Institute.

The total outlay therefore will be:

Rs 750 × 850 per year = Rs 6,37,500 per year.

For capital expenditure and equipment a provision of Rs 53 lakhs for the 106 training centres and Rs 34 lakhs for the educational institutions may be required.

The total outlay for 10 years works out to:

		Rs
Working Expenditure	Training Centres ...	5,30,00,000
	Educational institutions ...	6,37,50,000
Capital Expenditure	Training Centres ...	53,00,000
	Educational institutions ...	34,00,000
	Total	12,54,50,000

i.e. Rs 12½ crores outlay in the next 10 years i.e. Rs a crore and a quarter per year.

The return on investment

Our annual industrial output is computed as Rs 1,288 crores per year. In 10 years the total output will be Rs 12,880 crores. If by the management education we increase production by 50% (not 20-50% as Stafford Beer calculated), the increase in production will be 644 crores i.e. a return of more than 1200%. This increase will be (1) without the worry of foreign exchange (2) a psychologise tonic to the nation, and (3) a base for building a cadre of management personnel so essential for the future.

At present, Industrial Management is taught in 3 institutions in India, the Indian Institute of Technology, Kharagpur, the Victoria Jubilee Technical Institute, Bombay, and the Indian Institute of Science, Bangalore, with a total output of less than 100 students per year.

Management subjects at undergraduate level

A broad approach to subjects like Work Study, Elementary Statistics, Costing, Industrial Economics and Industrial Psychology should be at undergraduate level in all engineering institutions. This knowledge will stand in good stead for every engineer, whatever be the future walk of life.

Research

Industrial Management Research should be encouraged in all the institutions, with greater or less emphasis. A Central Research Institute for dealing with intricate problems like automation, or Operations Research is an urgent necessity if we wish not to lag behind in industrial techniques and therefore industrialisation.

Methodology

The best method to start the courses is to establish a Central Research and Training Institute, for management studies to train the trainees—some thing like a teachers' training college. The location of the Institute should be such that varied types of modern industries should be available for field work, as also the facility of research in various engineering fields.

Conclusion

While there is considerable awareness of the need for Industrial Management training, action is slow—indeed very slow. It can safely be said that rapid industrialisation, to which we are wedded, will be impossible without managers with knowledge, experience, energy and enthusiasm.

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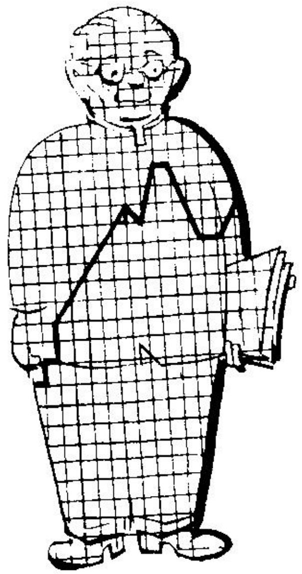


Data Processing !

Growth of Interest in Management Development

MARY SUR*

One cannot apply a tailor-made scheme of management development to any and every organisation. One can mould good material into something better, but it must be carefully selected. One can train people, but the programme of training must be planned to need the particular needs of the individual organisation, its natural limitations and its existing set-up. Bearing this in mind, it is possible to make use of outside bodies to teach not only the various modern techniques of management, but also the principles of administration and human relations. This is what the various management schools and institutions set out to do, but the training so given must be dovetailed into a general programme of management development. Training in administration is only part of the process.

THE Union Government has recently announced its intention of setting up two Central Institutes of Management, one in Calcutta and the other possibly in Ahmedabad, for training management personnel for both the public and the private sectors. This is in fitness of things, for one of India's urgent problems at the moment is the acute shortage of adequately trained men for the higher administrative posts in its large new industrial undertakings. Mr Michael Hoffman, who headed the World Bank Mission, made pointed reference to this when he reported that in the management of major undertakings in India the *cream of experience* was spread rather thin, a good deal too thin for comfort!

* The author was for quite some time associated with the Institute of Personnel Management, Calcutta; formerly editor, *Industrial Relations*.

The acceptance of the idea that people can be trained in the skill of management—apart from the skills of certain managerial techniques such as costing, budgetary control and work study—is of comparatively recent origin. I remember one day in 1950 looking at a managing director's bookshelf and remarking to him that the only book he had on business organisation was dated 1916. "You cannot learn much from books" he replied, "you must learn on the job." But that same firm five years later was sending one of its directors to the Administrative Staff College for training. So in that short span of time the top management outlook had changed to that extent.

Management in India has tended in the past to follow very conservative lines. In the old established companies each new recruit was supposed to follow closely in the footsteps of the existing regime. Even the language of the days of the East India Company has continued in use in reports and correspondence in some companies. Family succession has been the normal method of replacement of seniormost personnel.

In his report to the Federation of Indian Chambers of Commerce and Industry in 1953, a British expert, Sir George Schuster, pointed out that there was great need for Indian industry "to equip itself with proper management cadres, especially in the middle and lower grades of management, and for this purpose to develop good recruitment techniques, proper training methods, means for discovery of talent and promotion policies which regard merit and eliminate favouritism." The old type of senior manager, he said, was usually a *master of detail* and liked to keep his hand in everything; he had not learnt how to delegate authority nor to train his junior executives to take responsibility.

The term *management development* has come into use only since the last war. It was coined in the United States, and has a wider connotation than training for management. It envisages a carefully thought out policy of selection of potential managers, lines of promotion, and practical and theoretical training. It involves also review of existing managerial posts and planned succession, or replacement of senior men as they retire. It is based on the conviction that planned management training can produce managers of a higher calibre and with a broader outlook than the old, haphazard learning on the job.

But, though the term is of recent origin, the ideas that have contributed to the modern theory of management development have a long history. It goes back to the pioneers in scientific management in the latter part of the nineteenth century and the beginning of the present century, like F W Taylor in the USA, Henri Fayol in France, and B Seebohm Rowntree in the UK. Taylor is often spoken of as "the father of scientific management". He was so in a very true sense, and his ideas were extremely advanced for his times, but many of his followers brought the movement into disrepute with the workers because they placed all their emphasis on certain techniques such as time and motion study, which Taylor and others had advocated, without appreciating the wider scientific and human implications of Taylor's teaching. Scientific management was not something *invented* by Taylor, which could be bought like an office machine; yet many managers made the mistake of thinking they could buy efficiency by installing, for instance, punch card machinery. It was Taylor himself who, in exasperation, told a Committee of the American House of Representatives that "scientific management is not any of the devices which the average man calls to mind when it is spoken of".

Taylor pleaded for a spirit of scientific investigation in Industrial organisation; Henri Fayol applied this spirit to the study of administration as a specialised function. He pointed out that at the higher levels the proportion of technical knowledge required in everyday work diminished, but administrative knowledge and skill became increasingly important. Before Fayol no one had thought of administration as a subject which could be taught or studied on account of "the lack of theory, for without this teaching is impossible, and we have never had any public discussions about administration which would produce a generally accepted theory."

Fayol was a successful business executive, who set himself to analyse with remarkable detachment his own duties and responsibilities. Better management, he claimed, "is not merely a question of improving the output of labour and planning subordinate units of organisation, but above all a matter of close study by, and more administrative training for, the men at the top."

The foundations for management development had been well laid over a period of 50 years. The superstructure was, however, slow in growth. Managements on the whole, apart from a few outstanding examples, remained wedded to their old conservative traditions, not only in India but also in the West. It took a second world war, rapidly changing technology and the growth of huge new industrial units to underline the need for training managers who could adapt themselves to change and who could take over the administration of vast units which had no previous traditions of organisation. This time the ground gained during the war was not lost, for the advancing tide of technological achievement made adaptability rather than tradition the need of the moment. In Britain the need to coordinate the efforts of all those working on different aspects of management training was recognised by the formation of the British Institute of Management; and the demand for training or refresher courses for higher management led to the founding of the residential Administrative Staff College at Henley.

India was not far behind. A Committee on management education headed by Sir Jehangir Ghandy in 1950 noted the need, but was a little dubious about the response from private industry. However the Indian Institute of Technology at Kharagpur started short post-graduate courses for junior management personnel in 1953. Later its first course in general management attracted 40 senior men. Ahmedabad Textile Research Association started an executive development course. Universities and technical schools in other places became interested and introduced management courses at various levels, and a Board of Management Studies was set up, also under Sir Jehangir Ghandy, to approve full-time or part-time courses in business management at these institutions. An Industrial Management Service was also established by Government for the purpose of staffing public enterprises. Finally the Administrative Staff College at Hyderabad came into being in 1956, modelling its organisation on the Henley College.

Pioneering work has also been done by a number of private companies. One large Bank runs a six-month training course for its junior officers. An oil company has a full-time training director and a highly developed scheme of staff and executive training, including its own residential school for special courses. One of the tobacco concerns also runs a residential management school for its junior and senior managerial staff. With the help of ILO the Ministry of Labour has been most successful in running coursse in *training within Industry* (TWI) for foremen and supervisors, drawing in also more senior management, on the basic principles of training.

The growth of Management Associations in the principal industrial centres since 1953 is an indication of the increasing interest on the part of managements in modern principles of management development, and the productivity movement which is also gathering momentum through Local Productivity Councils and the National Productivity Council, stresses the importance of wider management education as well as training in modern techniques.

Here, perhaps, a note of warning should be sounded. There is always a tendency for the pendulum to swing too far, and from the obstinate conservative stand of those who brushed aside all theory and declared that the only way to learn management was on the job, it is all too easy for the enthusiasts for management development to suggest that training is the one essential and that anyone, given proper training, can become a good manager. It was Lord Heyworth, Chairman of Unilever, who warned that "there is no universal and all-embracing sausage-machine, into one end of which you can put a trainee and expect a trained manager to emerge at the other." Furthermore, one cannot apply a tailor-made scheme of management training to any and every organisation. One can mould good material into something better, but it must be carefully selected. One can train people, but the programme of training must be planned to meet the particular needs of the individual organisation, its natural limitations and its existing set-up. Bearing this in mind, it is possible to make use of outside bodies to teach not only the various modern techniques of management, but also the principles of administration and human relations. This is what the various management schools and institutions set out to do, but the training so given must be dovetailed into a general programme of management development. Training in administration is only part of the process.

Any scheme of management development, therefore, requires careful preliminary planning. One of top management's first duties should be to provide for its own succession, so that the business may continue smoothly. It is however, surprising how often this important point is overlooked and the succession left largely to chance. With systematic planning of management development such a situation could be avoided, but it is only in recent years that this obvious truth has been given recognition. The American Management Association made a survey in 1954 among 2,000 firms and found that only a third of them had any organised plans for handling management development, and three-quarters of these firms had adopted their schemes in the preceding five years.

Selection naturally forms the focal point of management development, for if time and money are to be spent on training junior managerial staff for senior posts, it is necessary to select them with care. Unfortunately, there are no generally accepted objective criteria for selection of the best managerial talent. Not every junior is suitable for a senior post requiring a high degree of initiative and responsibility, as well as the ability to handle other staff. There may, therefore, be failures even in the most careful planned scheme. Moreover there is a further difficulty that choice of juniors for further training may cause problems of morale among the other staff. There is, for instance, what is known as the *crown prince* mentality. A person selected for further training at a staff college may see himself as already on the steps of the throne. He may develop *high and mighty* attitude to his colleagues, and they in turn may be jealous and deliberately attempt to trip him up. However, if these difficulties are recognised beforehand and all possible steps taken to mitigate them, a programme of management development will be found to have many outweighing advantages.

There are various methods of management development. Obviously job experience is a most vital part of the training—indeed 70 per cent of those replying to the AMA survey held it to be the most important part but it needs to be consciously planned. That is to say, it is not enough to put a junior in the corner and let him watch what is happening: he must learn gradually to play his part. Specific responsibility must be given to him, and he must be given guidance on the handling of various situations. But he must also be allowed to think for himself, to work out his own solutions. This is the value of understudying, that sometimes he is called upon to act in the place of his principal.

Letting junior managers attend inter-departmental conferences and discussion, serving on joint committees such as works committees, spending some time in a work study or project department—all these are helpful in broadening their outlook. Some companies depend to a large extent on job rotation—moving a man from one department to another—to widen his experience, but how much a man should be moved around and how much he should specialise must be decided in relation to the needs of the organisation.

Finally, there is the training that is available at outside courses, seminars and conferences. Hitherto in India for the senior-most executives there was only the Administrative Staff College at Hyderabad, and for lower cadres various courses such as are run at Kharagpur. These are to be supplemented by the two Government sponsored Institutes of management, which are expected to cater for the two categories. They will run refresher courses of about 3 months' duration for topmost executives such as managing directors, directors and general managers of major undertakings. A second course will be run for the category of senior and experienced personnel in public and private undertakings, who have already reached or exceeded the rank of assistant manager, and young executives with outstanding academic qualifications who can be trained for higher posts.

For those companies who feel they cannot spare men for a 3-month course, there are short courses and seminars which can be most useful. A variety of organisations like local Management Associations, Local Productivity Councils and the Indian Institute of Personnel Management run such programmes in different industrial areas. There are also one or two private consultant agencies arranging short management courses. There is, therefore, no dearth of opportunity to give managerial staff the chance to broaden their outlook by an exchange of ideas with those in other industries.

Of all these types of outside training, experience seems to underline the value of the short residential course, where the manager can get away entirely from his normal routine. In the UK the trend is towards providing this management training to a person who has acquired about 10 years managerial experience or more, in a course of which he has acquired a good practical knowledge of his job, but needs to systematise that knowledge, to develop his critical faculties and see what others are doing.

Technology !

Executive Development for Higher Productivity

Ellis O Keller*

Executive development programmes should enjoy a pride of place in any industrial organisation. Executives in Indian industries mostly have been chosen on the basis of chance, and have developed themselves by the slow process of experience in industrial units instead of being given a background training. Technical knowledge and the benefits of productivity approach are messages that have yet to reach these neglected areas that promise rich fruits once they are developed. The development of executives will go a long way in not only harmonising the human element in industry but also in ensuring that the supervisory personnel so function that the overall productivity of the entire industrial unit is built up on solid ground and promises a progressive future for Indian industry.

SHORTAGE of well trained personnel in various levels of management is a problem that the Indian Industrial units perpetually continue to face. The gap that is created by the departure of one experienced man in the production line, works foreman for example, cannot be filled easily by drawing from the rank and file of the immediate lower level of industrial personnel because of the absence of executive development programmes. The magnitude of the problem is great, particularly in small and medium units, as they do not have any programme aiming at the preparation of personnel for promotion and filling in the positions in the future. With the increasing complexity of management's problems and technical demands of the factory operations, there results an unprecedented demand for the right type of men in the executive line.

* TCM Expert, attached to NPC.

In this present period when there is urgent need for expanding industries with the aim of economic development, the shortage of capable men to run the wheels of industry is all the greater. The executives and their development mostly have been left to chance and accident instead of being pre-planned and regulated. The burning question of present planning is the problem of an executive development programme that will not only meet the current demands for personnel in the industry but also ensure that such a serious shortage situation does not arise in the future.

It might be valuable to learn from the experience of the countries in the West and what they did to meet the scarcity of executives in industry. The crux of the situation was overcome in American industry by an orderly and methodical system of discovering the right type of personnel, their development and the assignment of work to them in a proper manner. In India we have yet to think of an organised way of discovering the right type of executives for our industry, to train, promote and compensate and also develop their faculties, so that it will be easier for them to carry the burden of industrial problems of production and management.

One factor that has been discouraging many of the industrial enterprises from planning and operating an executive development programme, is the cost involved. It is indeed surprising to find that the negative aspect of this cost has been given some importance, while the problem and losses arising from absence of proper personnel, and the corresponding expenditure in carrying on the factory work with less experienced, untrained and raw personnel, who experiment with the production line, has not received proper attention. As in the case of all other protective measures, preventive checks and planned development, costs are certainly involved but these costs would produce commensurate rewards in the form of ensuring a free flow of efficient personnel to meet the needs for executives in industry at all times. *The cost of a training programme is always less than the cost of not training.*'

The basic aim of an executive development programme should be to encourage managers and supervisors to improve, especially in the skill of handling people, which is becoming a delicate task under the aegis of human-relations science. An important aspect of the programme is to improve the employee-employer communications, which are essential for a proper understanding of jobs, the goals and operations. A good coaching system ensures driving home the contents of tasks and the standards towards which the executives should aim, and equips the executive with the necessary tools and productivity techniques. The direct effect of the executive development programme is the improvement of the performance of executives in their present jobs and also their preparation for future positions.

An executive development programme for an entire industrial unit creates a reserve of well-coached substitutes to fill in vacancies on the company team when they occur, and to occupy positions not thought of in the present. There is one more important factor underlying executive development. It is the enlargement of the perspective of the executive from the narrowed specialised outlook to one of a broadened outlook which is demanded of him for successful occupation of an executive position. If a future supervisor is a man on the production line today, a broad-based training should equip him for a composite of tasks instead of narrowed concentration on his present duties. The training should be intimately tied to the ambition of the prospective as well as the present executives to rise into positions and to show themselves worthy of confidence by the management.

How do we go about organizing such a programme? If the concern desiring such a programme has no qualified training director, it must obtain the services of one on a temporary or permanent basis. Organizations such as the National Productivity Council could be asked to help through the Local Productivity Council.

This is the *First requisite*, that the request *must* be made by the company. And the second is just as important; top management must have and maintain whole hearted, sincere interest in the overall programme at all times. Without these two, no individual or group with any experience will undertake the task of promoting management

' Italics ours.

development in any industrial enterprise.

Usually a survey is made in the beginning to ascertain the background, previous training and the training needs of the management personnel. Division usually is made of the individuals into three parts:

1. Top level.
2. Middle Management.
3. Front line Supervision.

The size of the company will determine somewhat just how this division will be made. If there are only a scattering of top level managers, they can be merged with Middle Management. Individual groups with a minimum of ten and a maximum of 15 persons are formed. Since the conference method will generally be used, these are the maximum and minimum numbers of effective training.

As a result of the survey, tentative programmes for the various levels are suggested. If approved, the affair is about to get under way. If there are too many groups of front line supervisors to be handled by one Training Director, some junior executive of the company must first be given conference leadership training to enable them to serve as assistants. The following are some suggested subjects for the various levels:

A Proposed Plan for Executive & Supervisory Training

A. *General Subject Matter*

1. Job Relations Training.
   This can be used as an introductory series of conferences for all groups at all levels.

B. *Executive Training Subject Matter*

1. Management Philosophy and Policies
2. Concept of Management
3. The Art of Managing
4. Delegation and Accountability
5. Management Communication
6. Report and Letter writing
7. Selection and Induction
8. Management Development Programmes
9. Motivation and Group Dynamics
10. Management Audit and Evaluation
11. Sociology in Management
12. Employee Counselling
13. Industrial Leadership
14. The Executive's Job of Self-Development.

C. *Supervisory Training Subject Matter* (See Alternate plan)

1. Functions of Management
2. Principles of Good Organization
3. The Supervisor's Responsibilities
4. Job Analysis
5. Selection, Induction and Orientation
6. Giving Orders and Directions
7. Training of the Workers
8. Skill in Handling Human Relations
9. Employee Counselling
10. Leadership and Self-Development.

Alternate Supervisory Training Programme

A. *HUMAN RELATIONS—GENERAL*

1. Job Relations Training — (6 sessions)

B. *HUMAN RELATIONS—SPECIFIC*

1. Selecting the New Employee
2. Handling the New Employee Induction

3. Stimulating and Developing Subordinates
4. Keeping Workers Informed
5. Morale and Motivation
6. Promoting Cooperation
7. Maintaining Discipline
8. Correcting Workers
9. Controlling Absence and Tardiness
10. Dealing with Union Representatives
11. Evaluating Performance
12. Leadership and Self-Development.

C. *TRAINING EMPLOYEES*

1. Job Instruction Training—(6 sessions)
2. Job Methods Training—(6 sessions)

D. *OTHER MANAGEMENT RESPONSIBILITIES*

1. Functions of Management
2. Principles of Organization
3. Responsibility and Authority
4. Giving Orders and Instructions
5. Planning and Scheduling Production
6. Quality Control
7. Controlling Waste
8. Keeping Down Production Costs
9. Promoting Safety
10. Good House-keeping
11. Keeping Records and Reports
12. Job Analysis.

Presentation of all the above would be by the Conference method. For the Executive Group, it is recommended that the Industrial Training Advisor present all topics. Gradual informal training in the use of this method can be practised, so that each member of the group may take his turn as conference leader. The use of role playing and the case-study method cannot be over-emphasised.

To handle the lower supervisory groups, it may be necessary to train a class of Junior Executives in the Conference Method; if large companies are represented this is imperative. (The Duquesne Light Company (USA) had 36—3 groups of 12—taking this training. About 2/3s of these became first class conference leaders.)

For the three *package programmes,* JRT, JIT and JMT the meetings should be held once a day for six days for each programme. For the other subjects, meetings once in two weeks for individual groups have been found to be most acceptable. (If the services of a Consultant Training Director are being utilised, meetings may be held more often). Meetings should last from 1½ to 2 hours —never longer.

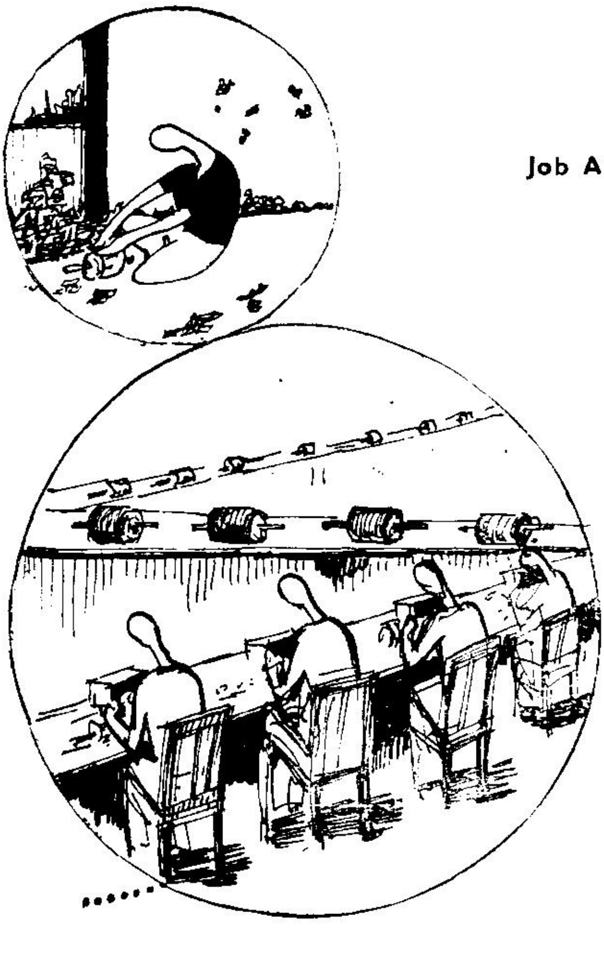
The subjects given are merely suggestions and may be modified to meet any proposed programme. Even when finally agreed upon, the programme should be flexible enough to allow substitutions, additions or deletions as deemed necessary.

Once started with such a programme, executive and supervisory training should be continuous within the respective organizations. Training Officers should be selected and trained to carry on this work which, in good industrial plants, never ceases.

After the first year's programme is completed, the various levels of management should be given some opportunity of nominating topics to be discussed for the ensuing year. It will be noted that the programme is not of one year's duration, but is continuous. *A sign of good management in any enterprise is the steady methodical training of all employees at all levels.*

Executive development programmes should enjoy a pride of place in any industrial organization. This is in view of the important fact, as stated before, that executives in Indian industries mostly have been chosen on the basis of chance, and have developed themselves by the slow process of experience in industrial units instead of being given a background training. Technical knowledge and the benefits of productivity approach are messages that have yet to reach these neglected areas that promise rich fruits once they are developed.

The above suggested programme for executives and junior managers aims at the development of proper interest in the executives towards an ambitious self-improvement project, and at the stimulation of their interest in becoming better and finer executives for the benefit of themselves and the industry. The training with case studies and narrations from actual experiences should provide solid ground for the present and potential executives to build for the future. Simultaneously, the problem of the industry of obtaining suitable executives will also find an effective solution. This important service of developing the executives will go a long way in not only harmonising the human element in industry but also in ensuring that the supervisory personnel so function that the overall productivity of the entire industrial unit is built up on solid ground and promises a progressive future for Indian industry.



Job Analysis

The Managers

A man cannot develop his full qualities in his job unless those above him give him scope to do so. This means that we must truly practice delegation, not just pay lip-service to the principle. Delegation does not mean just sitting back with your feet up and leaving a subordinate to do the work: it should be a positive act of trust. It does not come naturally to most people. We are all inclined to give a man a job to do and then to look over his shoulder to make sure that he is not making a mistake. This is a tendency which must be resisted, as must the inclination to delegate only to those whom we regard as men who will play safe. This is no way to create a forward-looking and progressive body of managers. Management cannot be lively and efficient unless there is true delegation. Conversely, people will be unwilling to delegate unless management is lively and efficient. If these two propositions look like creating a vicious circle anywhere in the business, we must break through it.

EACH year the Annual Report and Accounts give considerable information about the material assets of business—its plant, equipment, buildings, capital expenditure, sales and profits—all things to which a money value can be attached. But they do not, and cannot, tell much about the human side of the business, the people in it who *make the wheels go round.*

I propose to say something about one important section of those people, the managers. Important to the shareholders, because without good managers neither this nor any business could thrive. Important to the employees, for without good skippers you cannot have a happy ship. And important to the communities we serve, because without good managers we shall not achieve the increased productivity upon which the improvement of standards of living depends.

The topic is of particular moment now when, with full, or overfull, employment in most parts of the world, the competition to secure the services of those who show an aptitude for management is keener than ever before. In England, for example, when a young man of reasonable attainments comes to-day for interview, as often as not he comes prepared to weigh any job which you may offer him against the several other offers which he already has in his pocket. And even when you have caught your potential manager young, there is always the chance that on his way up the ladder you will lose him to someone else. The question is therefore one which to-day we must take very seriously.

efinition of terms

Essentially a manager in a business is one to whom is entrusted, at whatever level, the supervision or direction of others. But inside the general pattern the proportion of managers to the whole varies from one part of the business to another, and from one country to another, not arbitrarily or because someone has been *empire-building* but because, as any part of the business and the country in which it operates become more highly developed, the art of management becomes more complicated and a higher proportion of managers is necessary.

The higher the degree of mechanization and the more sophisticated the environment, the higher will be the ratio of managers required.

The three main categories

The managers fall into three main categories. At the base of the pyramid there are the junior managers. This category includes the foremen and supervisors, the men and women on the factory floor or in the office who are the first to carry responsibility for the running of a small group and who are all people who have to understand the art of handling, or *managing*, other people.

Next comes the large class of middle and senior managers. And, at the apex we have the top management, who take on themselves the decisions which make or mar the success of the business as a whole. It is not possible to draw a hard and fast line between the place where the main body of management ends and the top management begins.

The only test which we should apply to determine a man's suitability to enter managerial ranks is that of merit. There is no question of demanding a particular social or educational background. An increasing proportion of prospective managers have had a university education but that in future, as to-day, many managers will be men who came in at one of the lowest levels, who *came up the hard way* and whose qualities of leadership were developed after they had joined the business. We should try to see that in our business there is always a ladder by which a man with the right qualities can climb to the next stage. If we succeed in this, there will always be found at every level of our management men whose only university has been what William Lever used to call "the University of Hard Knocks."

Method of selection

In analysing this large subject of management the methods by which our managers are selected form a logical starting-point. Selection, like the other operations of business, is a matter in which decentralization is essential. In general, therefore, it is left to the individual companies and local managements throughout the world to do their own selection, whether from within their existing ranks or by recruitment from outside. One basic principle which is commonly followed, particularly when assessing candidates for the higher grades, is that the qualities of the potential recruit are assessed not merely by individual interview but also by seeing him perform as one of a group, which lets him show whether he possesses such obviously desirable qualities as intelligence, common sense, organizing ability, and the ability to get on with others. We know very well that selection procedure of this kind is not perfect. There is, for example, still a danger of choosing the pleasant talker and easy mixer to the exclusion of the rough diamond and the gifted eccentric. But at least, in realizing the danger we should go some way to meeting it: and we think that a procedure of this kind, though we should always try to improve it, enables us to make fewer mistakes than any other form of selection which we are able to devise.

It is worth noting that although the advice of the personnel specialists is available throughout, the actual selectors with whom the final decision rests are active executives from all parts of the business. These are the men who know by the hard test of practical experience the sort of men they want as managers, and therefore it is important that they should spare the time from their ordinary duties to take part in this business of selection.

The specialists

There are, however, some managerial posts in the business for which these qualities alone will not suffice and which, particularly on the technical and production sides, can only be filled by the man who has in addition the right technological skill. Similarly there are posts for which a knowledge of accountancy is essential. Some men should therefore, be picked primarily for their specialist knowledge and we should pay special attention to developing their general management ability in the business. But the man must have the germ of leadership within him, and it does seem in general to be harder at the stage of initial selection to detect this germ in the technical man than in the non-scientist.

We may have to recognize that for the man reading science at the university to-day the curriculum is so specialized, and so much time has to be spent in the laboratory and lecture room, that it is up to us, once he has joined us, to pay special attention to helping him to broaden his outlook. Certainly we know from our experience that technological skill and management ability are far from incompatible.

What should be the background of the candidates for management posts? One result of trying at every stage to leave the road open for the man of ability to climb to the next level is that many of those who come to management selection boards are internal candidates, men coming up from the ranks. In one sense, of course, everyone at the moment of first joining the business is an external candidate. In talking of internal candidates for management posts I mean people whose first recruitment was on a lower level, not specifically for management, but whose potentialities for that grade have become apparent after they joined us.

An independent assessment

It is an important part of the job of every company chairman and his advisers to be on the watch for talent of this kind, to nurse and train it and, when the man is ready, to bring him forward for consideration. It may seem a departure from the principle of decentralization for the company to send a man to a central selection board. But apart from the fact that this corrects the inevitable differences in the standards of judgment of individual chairman, we find that companies often welcome this chance of an independent assessment and a second opinion of the man's worth, not from personnel experts but from colleagues in the business who are in the same general stream as themselves. The proportion of internal to external candidates varies from country to country. For example, in England they provide about half of the successful candidates, while in Holland the proportion is considerably less.

Industry as a career

In the United States, education specifically for a career in industry has long been more highly developed than in Europe and a much higher proportion of those who graduate do so in economics or commerce. In addition there are in the States many schools of business administration which have no counterpart over here. For this difference there are a number of reasons. For one, the status and prestige of industry in the States is second to none, whereas in many other countries it has taken longer to become recognized as a first class career. For another, until the days of the great depression, comparatively few young men in the States were attracted to Government employment, nor were there opportunities for Imperial Government service abroad. A higher proportion therefore tended to go into industry and commerce, and the universities allowed for this in the education which they provided. And it is not only the attitude of the universities to industry which affects the issue but of industry to the universities. In this respect the climate is changing fast and over the last generation or so industry in the United Kingdom and Holland has been rapidly losing its traditional resistance to the employment of graduates, while the universities, for their part, are increasingly ready to cooperate with industry.

For the man starting out on his career as a manager training is vital.

First and foremost, the most important training is that which is done individually and on the job, and it must be flexible and selective. There is no general scheme of training into which everyone will fit, not universal and all embracing sausage-machine into one end of which you can put a trainee and expect a trained manager to emerge at the other. To change the metaphor, training should be tailored to measure, not ready-made off the pag. Therefore we should not start by sending the potential manager to a training school. Immediately, or after a short settling-in period, we should give him a job, and in that job he should start to learn the art of being a manager. We need not expect him to work out the answers for himself by the light of nature, and we must expect the man above him to spend a good deal of time and trouble in the training of his subordinate. This training of the men under them is a vital part of the work of all managers and the man who neglects it or regards it as a waste of time is unlikely himself to reach the heights.

Training starts on the job

Training, then, starts on the job. We should try to avoid any emphasis on privileged categories of learners wearing the equivalent of the officer cadet's white cap-band. Experience has shown that the creation of a special class of this kind causes the trainee to be regarded by those with whom he works as a kind of hot-house plant—an unhealthy state of affairs for everyone.

To this basic training on the job, courses provide a most valuable reinforcement and in these post-war years this form of training has been extended. There is the general course, primarily designed to give a man the broad picture of industry and its economic background. In this category there are courses for supervisors, which have been greatly developed in recent years. Indeed one can hardly do too much in the training of this vital link in the chain of command, without which the best of senior managers cannot get their ideas transmitted to the factory floor. Courses have also been developed for managers, mostly men in their late twenties and early thirties, where a man can meet and exchange ideas with his contemporaries from other sides of the business. Courses of this kind run from three to four weeks in length.

Specialized courses

The second category is that of more specialized courses of which the main instructional content is devoted to a particular technique such as production study, accountancy, advertising, or some technical process.

It is necessary to add that courses do not suit everyone, nor does everyone need them. Those concerned with a man's training have to decide if and when he will benefit from this form of instruction. Unless the right men are sent on the right courses these are at best a waste of time, and at worst can do positive harm.

For more senior managers the opportunity may arise of going to an outside institution for advanced courses. The duration of courses of this kind is usually about three months, though in America courses of twelve months have been developed. The longer the course the more difficult the problem of secondment, but for the few exceptional men who would benefit from courses of this length the time could be well spent. Then there are the courses run by universities, summer schools of business and the like, lasting three or four weeks. Where the courses are for more senior people the students, if of the right quality, can to a great extent teach themselves and each other, with a guiding hand from a few experts, but for younger men more positive instruction is necessary. In the United States there are plenty of men in academic life who have had sufficient contact with the industrial world to be able to act as the instructors but in Europe there is a shortage of people with these qualifications. Industry therefore should make a contribution, not only by ensuring that the quality of those whom it sends as students is high but also by seconding first-class men to assist on the instructional side.

Other aids

In addition to courses there are other aids by which a manager's mind can be kept supple and alert. Conferences play a part here—conference which do not mean get-togethers for merry-making and junketing, but working conferences in which anything from twenty to a hundred senior managers are brought together for an intensive study of questions which are of general interest to them all but are outside their daily run of business. Similarly, when we are faced with a problem—it may be whether we should launch into a new field, it may be office accommodation or the organization or budget of one of our companies or departments—we should often set up a small panel or study group of senior managers to investigate and report. There is nothing new about this technique but the point to note is that in addition to its primary purpose of providing us with a considered view of the particular problem, it gives the members of the panel a useful opportunity to stretch their minds and apply them to something outside their own daily jobs.

Art of delegation

But when all is said and done, when we have made the fullest use of courses, secondments, conferences, study panels and other extraneous aids of this kind, we come back to the starting-point, that fundamentally the training of the senior manager, as of the junior, is done on the job. And a man cannot develop his full qualities in his job unless those above him give him scope to do so. This means that we must truly practise delegation, not just pay lip-service to the principle. Delegation does not mean just sitting back with your feet up and leaving a subordinate to do the work; it should be a *positive act of trust*. It does not come naturally to most people. We are all inclined to give a man a job to do and then to look over his shoulder to make sure that he is not making a mistake. This is a tendency which must be resisted, as must the inclination to delegate only to those whom we regard as men who will play safe. This is no way to create a forward-looking and progressive body of managers. Management cannot be lively and efficient unless there is true delegation. Conversely, people will be unwilling to delegate unless management is lively and efficient. If these two propositions look like creating a vicious circle anywhere in the business, we must break through it.

This brief discussion on the training of the more mature manager prompts one to ask at what stage a man is to be considered fully trained. In the sense that all of us can and should go on learning right up to the moment we retire, the answer to this question is—never. But we must be careful not to carry this spirit of perfectionism so far, that when we begin to approach retiring age, we find ourselves looking upon men in their thirties and early forties as far too young and untrained to hold positions of real responsibility. Such a tendency is, natural in any large organization where most men go on to a retirement age in the sixties, but it must be resisted. We have to remember that we ourselves may have thought very differently fifteen or twenty years ago.

Dangers of inbreeding

There are certain obvious advantages in possessing a corps of managers trained up in the business, professionals who at the start of their working life have made industry their chosen career. Unless our methods of training and development are sadly awry we can put on the credit side loyalty, team-spirit, knowledge of the business and of the people in it. But we must beware of the dangers of in-breeding: the tendency to rest content with things as they are and to play safe, to follow precedent, to play down initiative and originality and to keep one's nose so closely to the grindstone as to let change and development in the outside world pass by unnoticed. Among the correctives to this kind of attitude are the extraneous aids already mentioned above courses, whether as student or instructor, conferences and study groups.

It may be that more interchange from one business to another at senior levels would be no bad thing. There are admittedly practical difficulties. Those who feel that they have borne the heat and burden of the day in the lower ranks will feel disheartened if newcomers are brought in over their heads. One must strike the mean and give due weight to this very natural feeling without allowing it to operate as a rigid ban against the introduction of newcomers who may have had valuable experience outside the business. Pension rights too are sometimes a difficulty and pension schemes should not be used to fetter a man to his present job with chains of gold. It cannot be a good thing for a man to feel that he cannot get out and go to new employment except with a crippling loss of pension rights. It is worth noting that in the United States it has become the accepted pattern for a man to move upwards by switching from one business to another without suffering any stigma disloyalty or careerism. Indeed, in that country cross-fertilization between businesses has reached such a pitch as to give rise to a new profession, that of the placement consultant, who acts as a king of confidential marriage-broker between the man who wants a change and the business in search of a new executive.

The final test

These are some of the highlights of this formidable and many-sided subject. One may, however, ask: what is the test by which one can judge the success in the task of creating a lively and efficient body of managers. In the last resort the quality of the management is reflected by the results of the business which are laid before the Annual General Meeting. But it is quite certain that even if the stockholders think that the results at this moment indicate a reasonably satisfactory state of affairs, one cannot rest on one's oars. As the business expands the need for more managers will arise. We must, therefore, continually examine our methods of recruitment and selection. We must take every opportunity to bring on and upgrade our people from the lower levels. We must all of us understand the importance of training. For if we fail to do these things, our failure will not be slow to show itself in the results.*

* Reproduced from "The Managers", Unilever Limited, London.

FINAL JUDGE !

1

Who s the indispensable man ?
If you can't name him, I think I can.
He isn't a seller, he isn't a maker,
He isn't a marketing record-breaker,
He's not an economist, keen and wise,
Nor a bright executive on the rise;

2

He isn't the chairman of any board,
Not a Rockefeller, Baruch or Ford,
Not a holder of stock or of bonds or debentures,
Not a banker, promoting financial ventures.
No, all of these worthies, without a doubt.
Are men we could struggle along without.

3

Who is it, then, we must coddle and humour,
Without whom we'd really be stuck ? The consumer !
Oh what a black day it would be, presuming
This hero were ever to stop consuming –
Were to wear no clothes and to eat no food
And to drink no drink that is bottled or brewed,

4

And to drive no car, and to build no home
And to chew no gum, and to use no chrome.
So carefully handle with soft kid gloves
This person whom everyone dearly loves,
The plucky consumer, that man of gumption,
And hope, he stays healthy—despite his consumption.

—RICHARD ARMOUR

Management Development in Major Industries

M S SRINIVASAN*

Management development programmes should be based on the faith in a continuous improvement and should include a progressive process designed to effect economy and effective utilisation of the resources. In drawing such programmes, it is necessary to study the problems of the companies relating to recruitment, selection, training and promotion of managers at various levels. It is important to know the present and future management position, in the major industries, the number and type of managers and their potential successors. A systematic approach to management training should take into account a projection into future demand. Reaction of the managerial personnel to promotion policies and also the provision of opportunities for initiative and exercise of talent are important factors to be considered in the development programmes.

THE role of management in running business and industrial enterprises is assuming increasing importance. Concentration of management functions and responsibility in the hands of a few who exercise decisions on all aspects of industrial working including purchasing, production and sales have become features of the past in industrial organisations. Management science has grown into a specialised field and the rule of the thumb methods of the proprietary managers have been replaced by scientific approach to all problems. The progress in every other science such as statistics, analysis and experimental methods, has had its impact on the management science. The new avenues that have opened themselves for adoption by the managers include the application of linear programming, probability approach and operation research methods.

Management problems have ceased to be stagnant routine matters to be solved by subjective considerations. New qualities and a leadership in handling the precious human material are being demanded on the existing and potential managers in industries. In addition to the basic qualities, the management needs to devote its energies to such developments as simplification in the product designs and improvements in the manufacturing processes and facilities.

In the changing industrial society, new factors have to be reckoned with in managing the business. Some of the immediate problems relate to the following:

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1. Changing technology and its impact on the industry as also the needs of specialised knowledge;
2. New social climate with increasing labour consciousness to its rights and obligations;
3. The business in relation to State—the legal and the tax structure as it affects and controls the functions of the business;
4. Forces of competition that operate with greater intensity as a result of inventions of substitute materials and improved methods; and
5. Obligations to the community and society as it is necessary to cater to the taste of the market and also to effect economies in costs of supplies for the consumer.

Scarcity of managerial personnel

In the wake of independence, the Indian industry found that the British rule left the country with a limited industrial base. The foreign managing agencies that were controlling the major industries offered only a limited opportunity for Indian management personnel to advance and accumulate the new techniques of progress. The movement to develop professional management has started only with the increasing Indianisation of the enterprises in the country. Even in the past, the importance of developing the management in the industry was felt only when the key managers or executives gave up the positions due to illness, retirement or resignation, thereby leaving a vacuum that could not be filled immediately. The diffusion of responsibility and the climate for increasing the development of management talent were absent due to the unhealthy concentration of power in the hands of a few top persons who were either the proprietors or autocratic managers. The change in the situation arose out of the sudden realisation of the importance of developing management personnel to fill in the positions that are likely to be vacant. Even then, the realisation did not extend to that area where a long-term planning for the supply of management personnel to industries could be contemplated.

Problems in major industries

It is necessary to look into the problems in relation to the major industries from a proper perspective. With nearly a century of lifetime to develop, the major industries in the country had had ample opportunities to devote their attention to the problem of management development. But in only exceptional cases, the Indian firms have paid due attention to this problem. Eighty per cent of the companies have not had any system of management training.

Since 1947, the problem of developing management personnel has assumed greater importance as the situation became more and more aggressive. The increasing demand in respect of capital and consumer goods has often assumed very high proportions. The construction and development activities in the country have raised the demand for cement by over 500 per cent and the iron and steel by over 200 per cent. There has been a high increase in demand in many of the industries. The rising standard of living and the increase in population have also created a spurt in the demand for consumer goods. All these factors have emphasised the need for growth in the size of the existing units as well as the establishment of new units.

The basic problem arising out of these expansion projects has been the need for effective utilization of material and manpower resources. The industries that need large capital investment also require a correspondingly heavy investment in the high-talent managerial resources. The additional costs of acquiring modern processing machines also demand a complementary managerial resource to utilise and control the equipment. The shortages in the trained managerial talent have been felt more intensely in the established major industries of the country. Not having devoted their attention to any programmes for development of management personnel (except in a few progressive concerns), this problem was felt all too suddenly and hectic efforts were made to remedy the situation.

Existing facilities

In the field of management education, the facilities for educating and training management personnel have been scanty in the country. In a country, which has over 4000 industrial establishments of varying sizes, there have not been organised efforts to establish institutions for training and building requisite management personnel. There have, of course, been a few institutions such as the Administrative Staff College at Hyderabad, which has as its objective the preparation of goverment officials for designing and executing policies of the industries in the country. There are post-graduate courses for management personnel in some of the universities and technical institutions in the country. In recent years, some attention is being paid to the problem of executive development and training of engineers for positions in industrial enterprises. But the provision of facilities is far too inadequate for the size of our industrial estate and also for the magnitude of potential employment in industry.

New institutions, such as the management associations and the National Productivity Council, have short-term programmes for education and training of management personnel. The fact that there is great demand and popularity for all these short-term courses further emphasises the need for developing the facilities for management education in the country.

That the management development is an important factor in the progress of industries is apparent from the following points:

1. Standards of management determine how adequately or effectively the country's resources of manpower and capital are being utilised;
2. The resources in our country are scarce and they have been stretched to a limit that the economy's margin of manoeuvre is indeed uncomfortably low. The supply of adequate managerial personnel at this moment will go towards better utilisation of resources and also for placing the economy on a more stable structure.
3. Top management and in fact all levels of management have become basic institutions in our society and the business enterprises can no more be indifferent to the development and employment of personnel at various levels.
4. A too sudden discovery of shortage of managerial personnel to replace those that are dead, retiring, resigning or absenting will be detrimental to the smooth running of industrial enterprises. The provision of successors and replacement in management position is a very important element which deserves as much attention as the replacement of capital equipment.
5. The proved techniques of productivity such as Work Study, Cost Control, Quality Control etc. are bringing out the inadequacies in the existing systems of production. The industries need talented and trained men who will be able to bring about the needed improve-

ment in the production methods so that better productivity is ensured.

Coordination and better utilisation

Management development programmes should be based on the faith in a continuous improvement and should include a progressive process designed to effect economy and effective utilisation of the resources. In drawing such programmes, it is necessary to study the problems of the companies relating to recruitment, selection, training and promotion of managers at various levels. It is important to know the present and future management position, in the major industries, the number and type of managers and their potential successors. A systematic approach to management training should take into account a projection into future demand. Reaction of the managerial personnel to promotion policies and also the provision of opportunities for initiative and exercise of talent are important factors to be considered in the development programmes.

The shortage of managerial resources limits the country's capacity to absorb capital and reduces the effective utilisation of material and man-power. The capacity for economic growth of a country is directly related to the supply of managerial man-power. It is the responsibility of the major industries in the country to plan for the development of requisite managerial personnel. In planning for management development, research into the problems of the industries and the needs of management as also the capacities to be developed require to be paid adequate attention to. An effective plan to meet the demand for managers should be based on an estimate of future management requirements, discovering potentialities in the employees, selecting the right type of recruits, provision of management training for all managers and opportunities for individual development.

The problem of management development depends on many factors such as size, degree of centralisation and technical knowledge requirements. There are at least three channels by which it is possible to coordinate the efforts of the major industries in achieving the objective of ensuring a regular supply of management personnel:

1. Provision of education and training facilities to existing and potential managers by encouraging their participation in short term and long term programmes.
2. Establishment of a department of training that would pay attention to the supervisory and foremen training and also training for all levels of management with a view to increasing efficiency and productivity.
3. Coordinating the efforts of individual enterprises with those of the institutions and the universities that are having short term and long term programmes of training management personnel. The universities that are providing management courses should so design their courses as would add certain amount of practical value to the theoretical education.

Since the major industries constitute important national assets, it would be helpful if a survey is conducted by an expert body to investigate the problems in management development and the projected demand for the future. This projection of demand would be useful not only in coordinating the efforts of universities and institutions in supplying the right type of men to fill in management positions in future but also in employment planning.

Management Problems of Small Industries

R RATNAM* AND INDRA SANGHI**

The problems of growth of small business need to be attended to in good time. An imaginative entrepreneur should tackle the problem of succession in line and look today for the man who can run the industry tomorrow. Careful selection should be made and their proper training provided for the most deserving managerial assistance so that with the growth of business the successor can take over responsibilities and duties. Executive Development and succession are stimulated by proper delegation of authority and responsibility.

SMALL business may be defined as an enterprise which employs less than 50 people with power or less than 100 people without power with capital resources of about Rupees Five Lakhs. Small Industries business can be classified in three categories, viz, (a) small production units, (b) trading establishments and (c) servicing establishments. The pattern of ownership of a small business is usually (1) prorprietorship, (ii) partnership, (iii) or a company with a limited liability. A small business owes its existence to the entrepreneurship/leadership of a single man who gets together the partner or shareholders and organises the business.

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Starting and locating a small business

The choice of the small business and the location of the enterprise is one of the primary problems to which not much attention is given in India. Before a small production, trading or servicing unit is started, factors such as the raw material position, transport and communication facilities, power and water resources, availability of suitable manpower, proper market survey including structure and extent of consumer demand, analysis of population by age and income groups, assessment of prevalent fashions or tastes and future trends must all be fully analysed in order to make a correct-assessment of the size, operation and success of the small business. In India, it is seldom that a systematic study of the above aspects is made. On the other hand, it is the horse sense of the individual or the institution of the entrepreneur (which luckily often may prove to be correct, at least to some extent) that governs the establishment of a small business. Of course, the attitude of the individual entrepreneur is very important factor, as shown by the famous example of the two sales managers who were put into a new area and who wired differently to their headquarters one saying: "women do not wear shoes no sales possible", and the other exclaiming "no women have shoes —lot of sales possible".

However, the fact remains that unless such factors are well co-related to the economic conditions and capabilities of the prospective consumers nothing tangible can be quickly achieved. The required economic data can often be easily obtained not only by the fully developed and rather costly methods of direct market research and survey of consumer preference but also by a simple application and study of the already available census and income data in the municipalities, district boards, State Government and public libraries. While this factor is more important in the case of trading and servicing enterprises, in the case of manufacturing concerns the prime importance should be given not so much to the marketing possibilities but to the suitable location of raw materials, labour and power resources, transport facilities etc.

For example, if a manufacturing centre is to be started, it is preferable not to start it in the hub of a town. It is, on the other hand, important and profitable for a trading or servicing business to be in the centre of a town, preferably at important road crossings or corners or at other locations depending on *shipping* habits.

Layout of business

Once the location is decided, the layout of a manufacturing establishment or a trading or servicing unit should receive careful consideration of the small entrepreneur. This enables a smooth flow of the materials with the minimum of handling. Most of the establishments, however, do not devote the time or thought to the proper layout of establishments. The establishments are not properly planned to leave any scope for future expansion. Machinery or departments are added on as and when need arises, without any careful and scientific study of the flow of traffic and goods in the factory or establishment. Much of the need for additional capital for expansion or for additional machinery can be avoided by systematic layout which ensures full utilisation of idle capacity and idle space.

Materials handling and storage system are intimately connected with the layout. In the British Industry, according to the Anglo-American Productivity Council estimated out of every pound paid out, something like 25 to 80 per cent goes for materials movement and handling. So, this is one of the most important and fruitful aspects that need to be carefully examined for increasing efficiency and economy *for whenever materials are handled and shifted from one place to another, something is added to their cost but nothing to their value.* As small business may not be in a position to incur much capital investment for the purchase of costly handling machines, or suitable and portable tools, they should take every care to make use of natural forces such as gravity, semi-live skids or overhead grabs for economy in materials handling. Simple techniques such as *Palletisation* or *unit loads* may also prove of immense help. A proper layout with a systematic flow of materials will avoid considerable losses that are incurred by unnecessary transport of work in progress. Too much handling increases the risk of accidents as well as damage to materials. In trading establishments use of space can be suitably planned for display of items for promoting suggestive combined sales. Over-mechanisation or investment of too much capital resources in machinery or buildings should also be avoided in small business. Often we come across cases where entrepreneurs starting small business, particularly in India, do not properly divide and balance their expenditure between various items and functions with the result that by the time their premises, shops or factories are ready, they run out of liquid capital for running the same efficiently. It is really amazing how common this feature is in our country. To avoid such eventuality, special care needs to be taken to plan out all operations and investments properly. There should be neither over-trading nor over-investment beyond what the capital available can support. On the other hand, the small business should seek proper banking facilities from various cooperative banks or from the various departments and institutions of the Government which seek to promote or help the small business.

Problems of production planning and control

In many small lands, we find plenty of imbalanced machinery with different production capacities. So much so that there is bottleneck in some place or other with a lot of work-in-progress accumulated and laying of the floor. In such cases sometimes the flow of work is balanced by not utilising the capacity of machines. Idle machines increase the overheads; proper production planning and scheduling should receive the careful consideration of a small manufacturer. Work Study principles can be applied for tackling such problems or eliminating bottlenecks. The application of work study methods will ensure better utilisation of the production capacity of machines which are creating bottlenecks, by combining processes, by better tooling, with improved jigs or minimising unutilised time. Inexpensive Gantt Charts can be used for better production planning.

The small manufacturer can also adopt statistical quality control if he is producing large quantity of a small number of items from a few machines. Many are not aware that statistical quality control enables a manufacturer to reduce material waste, scrap, and rework on goods which are not upto standard. It also ensures production and supply of standard quality goods which will satisfy the buyer, the public and the consumer and earn goodwill for the manufacturer.

Plant maintenance

When automatic machinery is used, very often maintenance is neglected leading to sudden break-downs and lay offs in a factory. Proper plant maintenance carried out at the proper time as instructed by the machinery manufacturer will avoid breakdowns and consequential loss.

Stock control and turnover

Many small business units fail to pay proper attention to stock control under the impression that stock in the store room is always an asset. They forget that much of it may become obsolete and if the stocks are not properly turned over, they tend to deteriorate. Constant watch should be kept over stocks which are likely to become obsolete and such stocks should be disposed of quickly. In physical handling and selling the principles of *first come first go* should be applied so that one's stock of goods is always fresh. In a trading business the stock should be turned over a number of times so that a fair return is received on capital locked up in stocks. Low or very high turnover (Overtrading) has been responsible for many business failures. In the case of manufacturers long range planning for stocks is necessary to ensure a smooth and uninterrupted manufacture. Plant lay-offs for want of proper storage facility or raw materials should be avoided. Stock control ensures the optimum level in which working capital is tied up.

Marketing

Many small manufacturers are not aware of all the available marketing channels and sometimes they try to do everything themselves and fail in the process. Marketing through proper channels (sole agents, area agents, wholesalers, distributors coupled with efforts of salesman appointed by manufacturer, direct sales to retailers and other avenues) should, therefore, receive careful consideration. Proper marketing enables a manufacturer to sell all his production and ensures collection of receivables. Small business people should try to maintain qualities of their goods and intelligently and carefully decide the exact limits within which their goods should fall. They should not try to achieve a particular dimension or perfection in its standard but should know and adhere to the required limits. This type of assessment in production often reduces cost and avoids rigid specifications in production. One of the essential steps for marketing is to get your firm or products approved and put on accepted lists, or registered as Government suppliers or contractors, in order to seek your licences or orders. The small business would be well-advised to get their products tested and certified either by the national laboratories or by the Indian Standards Institution. This would help them in their sales promotion as well as in their maintaining required quality.

Advertising

Effective advertising can play a great part in the selling efforts of the small businessman. Very few are aware of the different methods of advertisement available and the effectiveness of these media for their own business. Often an advertisement produced is shoddy and does not carry the message effectively. Copy writing, proper layout, the choice of colour in coloured advertisements and location or turning of the advertisement are important points that should be tackled. Sometimes advertising is resorted to only in prosperous times. When sales fall an increase in the advertising budget will more often help. Advertising and selling should ensure that the buying goods are bought and consumed by the consumers.

Change in marketing habit

There are businesses which have been catering to certain classes of customers for years. When sales fall they fail to realise that their clientele is dwindling or that the purchasing powe has passed from their class of customers to a different class. The businessman will have to change the whole outlook on his shop and cater to the needs of the newly created purchasing power. The products that a manufacturer may be making will also meet the same fate and the manufacturer will have to diversify his production to suit a new and expanding market.

Proper diversification of production or sale items is also very necessary. In a shop or distribution system the small business man should always go on changing his stocks or inventory as fashion or habits of their consumers change or as new substitutes or new items appear in the market. For example, for a table cloth it was sufficient 20 years ago to have textiles, but today one must, in addition, have various plastic or other artificial fibre-made table covers. One should not forget that the main advantage of small industry is its ability to change its products and production and to adopt itself quickly to changing markets.

Budget and budgetary control

Proper budgeting and cost control also gives an accurate estimate of the progress, efficiency and achievement of a business, and without these it is not possible to check up whether the business is proceeding on sound and predetermined lines as desired. This is more essential in small business. A small business man cannot waste his time, money and energy to collect all sorts of petty and unnecessary data; while he cannot be a faddist for statistics, he must have a sound accounting system to know always his business position. It is, therefore, necessary that more attention should be given to the various records that are essential and that can be economically maintained. Budgetary control will crystallise a man's plans and show and lead him to established goals. It enables a man to know more about his business.

Small businessmen often forget to allow proper depreciation or obsolescence for their machinery etc. Modern methods of business accounting may be followed, and in these days of rising costs, depreciation should be allowed properly, not simply on the basis of historical costs but on the basis of replacements costs.

Pricing is another important factor in small business. It is generally found that proper pricing procedures are neglected and small businessmen either price their products low in order to cut rates to be more competitive and to capture the market or that their production costs are such that their prices attract little or no sale. Sooner or later both these policies are bound to lead them to ruin sooner or later. Abnormally high or low prices do not help a business. To calculate correct prices, the small businessman should prepare his break-even charts and know the various minimum production at various selling prices in which he could cover his expenses and overheads.

It is very often said that cut throat competition is the bane of small business. In countries like Japan, Government has taken an interest and compelled small manufacturers (when 51 per cent are willing or want to) to form associations which will fix up fair selling prices, production quotas and markets.

Management functions

A small business as any other, can be said to have taheoretically six basic functions, viz. (1) technical (2) commercial, (3) financial (4) security (5) accounting, and (6) Managerial. The basic elements of management can further be classified, as suggested by Fayol, the famous French expert, in six ways: (i) Forecasting, (ii) planning, (iii) organising, (iv) coordinating, (v) commanding, and (vi) controlling. It would be worthwhile for any businessman to keep these functions clearly in view and to try to perform each one of them to the best of his ability. However, one should not be dogmatic but try to understand that management has both static and dynamic natures and therefore a successful businessman has to utilise these basic ideas as required by the circumstances.

In modern times business is a social process, entailing responsibility for effective planning and regulation of operations of an enterprise in fulfilment of a given purpose. It has now been undoubtedly accepted by all concerned that this purpose cannot merely be maximization of profits. The maximization of profits is related somewhat to the maximization of happiness for people working in an enterprise. Thus a business has its liabilities and responsibilities to (a) the shareholders who take risk and provide the capital, (b) the workers who give their labour and make it possible for the enterprise to exist and to improve, and (c) to the society in which it functions and the State which protects it. Sometimes the small businessman is not able to correlate happily all the three responsibilities which may clash with each other. However, it is not difficult for a successful businessman to harmonise these responsibilities and liabilities. Moreover, it is the responsibility of the management to give their due to each of these interests and to see that they can produce the greatest happiness for the greatest number. A small businessman should therefore keep in touch with his consumers, shareholders and the changing government policies. He should also take necessary steps to become associated, registered or connected with various small industry institutes or management institutions or the concerned government departments. He should also have no reservation or reluctance in seeking advice or help when they are necessary. It is realised that small business cannot afford to have services of the business consultants and management experts. Yet they can, with a little public relations and contacts, easily seek the same help from various institutions or government departments. Some of these institutes are now rapidly expanding in India and are eager to serve the regional industry, particularly the small scale industries, in a happy and mutual give-and-take manner.

In India one of the most oft-repeated difficulties of the small businessman appears to be the distressing delay in securing raw materials, licences, transportation facilities or other such facilities from concerned quarters. Often it is the result of bad or incomplete application, lack of full data or proper certificates from the various agencies. This delay can be eliminated to a great extent, by free and frank discussions by businessmen and Government officials together on the same platform under the forum of various chambers of commerce and institutes of management.

Finally, no small business, which runs successfully and achieves its object efficiently, will always remain a small business. Therefore the problems of growth should not be overlooked and should be attended to in good time. An imaginative entrepreneur should tackle the problem of succession in line and look today for the man who can run the industry tomorrow. Careful selection should be made and then proper training provided for the most deserving managerial assistance so that with the growth of business the successor can take over responsibilities and duties. Executive development and succession are stimulated by proper delegation of authority and responsibility .

❋ ❋ ❋

BOOK REVIEW

PRACTICAL COST ACCOUNTING FOR COTTON MILLS

BY MS SRINIVASAN, published by the Popular Book Depot, Lamington Road, Bombay-7. Price : Rs 10.00

THE final goal of increasing productivity is the savings in materials and efforts which leads to better utilisation of resources and reduction in costs. Thus cost accounting is a valuable tool that can help to control wastes and serve as a guide to the state of productivity of input factors. Any effort at providing a practical guide to application of the tool to an industry is to be welcomed as a valuable contribution—particularly at this time, when textile industry is passing through a crisis.

This book on Textile Costing describes in a simple and thorough manner, a method of costing practically applicable to the Textile Industry. True to the claim of being practical, the book deals with the elements of cost—material and labour costs, direct expenses and allocation of overheads—keeping the technical complications to the minimum. The chapter on Standard Costing Method indicates the means of tracing cost variations, which is an important factor in productivity and cost control. The chapter on Information to Management no doubt describes the manner in which the cost information would be processed in reports for the use of management but it is to be understood that the Cost Information reports can also be utilised to keep a watch on productivity and in waste elimination programmes. The author touches on another important productivity technique of "Quality Control", with a view to emphasise that in applying the tool of cost control the quality element is not to be neglected.

A welcome addition to technical literature for the textile industry, the book abounds with illustrations that practically explain the theories. In the second part of the book there is a fully worked out example and a mathematical appendix on approximate cost computation. As the title publicises, this book is of practical use to the Cost Accountants, technicians and management engaged in the textile industry and it is a must as an addition to the technical guides in textile industry.

—*L.N.A.*

• Inspecting Officer (F.A.), office of the Textile Commissioner, till recently, specialist in NPC.

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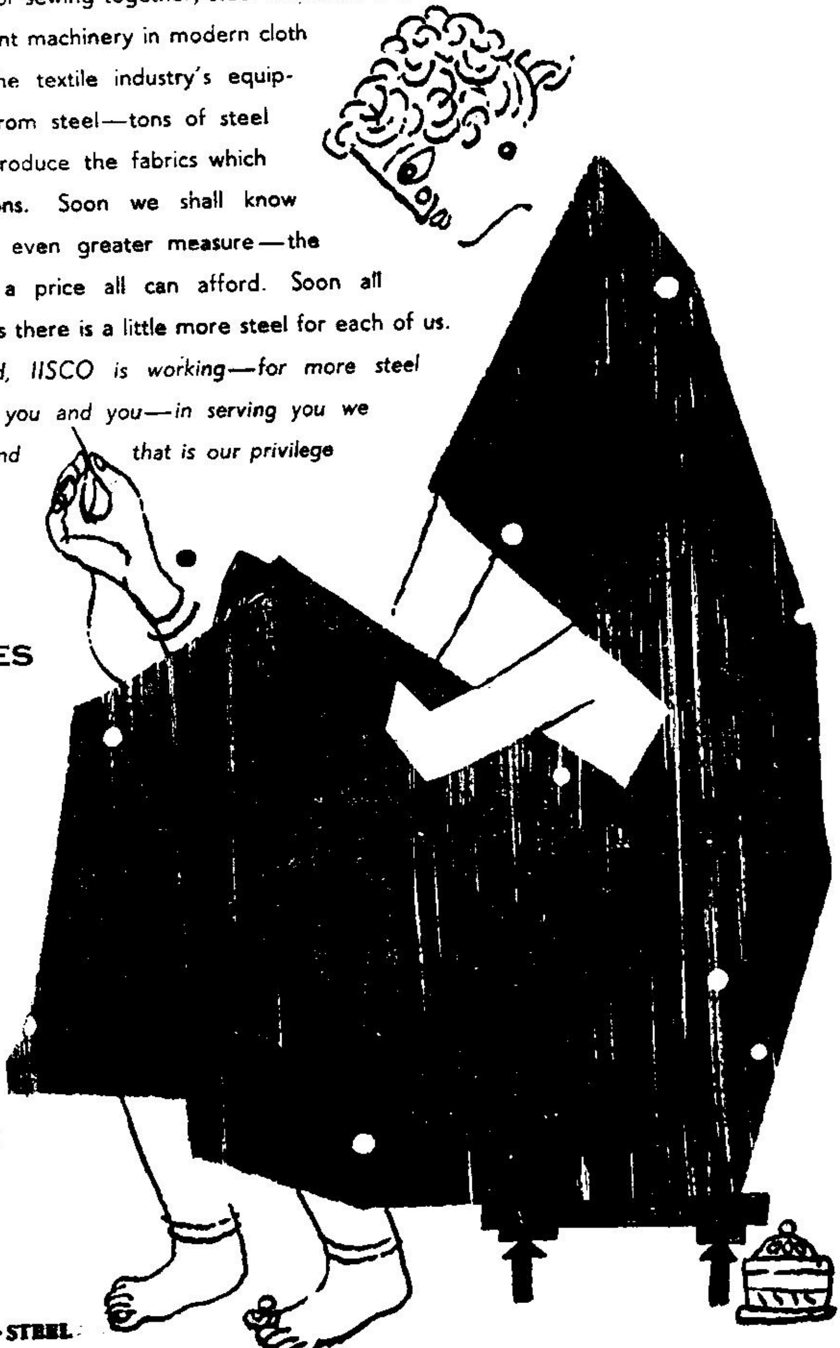

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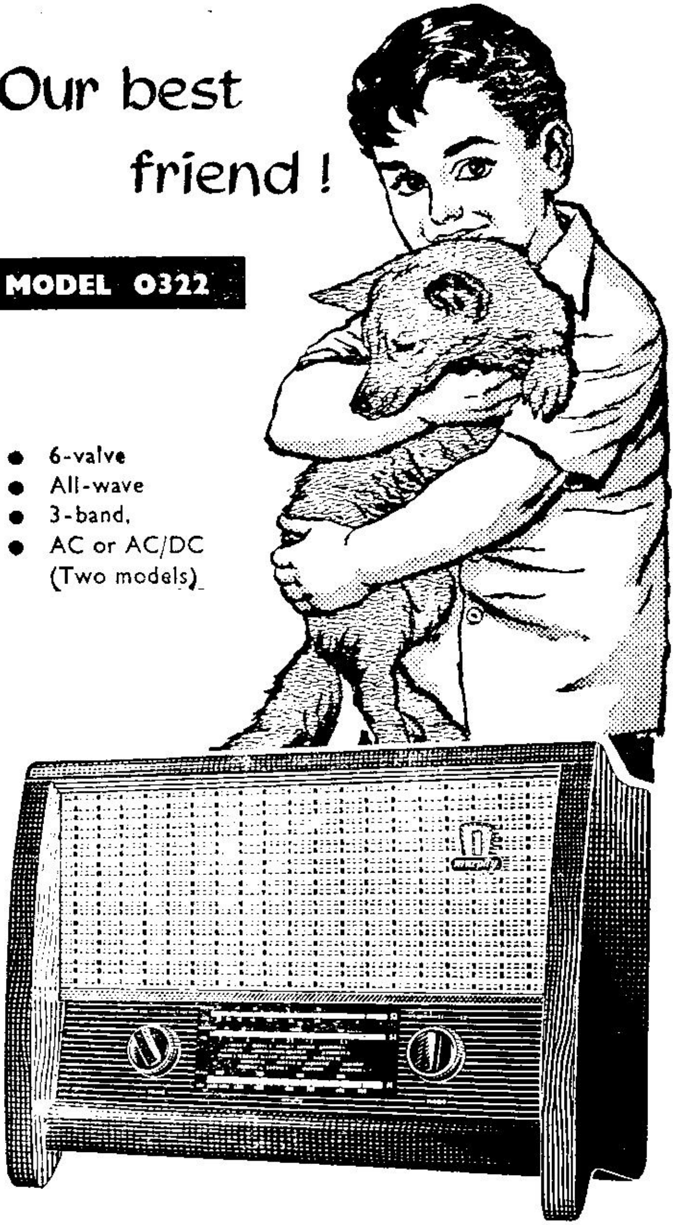

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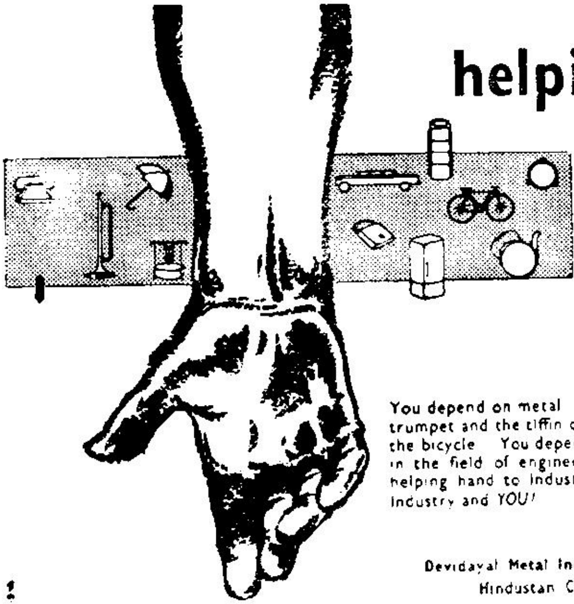
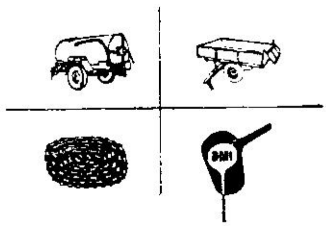
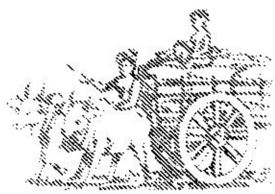




SON OF THE SOIL

The farmer is, indeed, a son of the soil! From morn to eve, he sows the good seed, waters the thirsty crops, feeds them, rids them of weeds and does ever so many nameless, unremembered acts of kindness and love. But, he does his chores not entirely in an altruistic spirit. Small blame to him, for he has to feed himself, his family, the community. In the past, Mother Earth responded to his overtures! But not now. She has been enfeebled by years and years and years of cultivation, carried out in haphazard fashion. Yes, erosion and inadequate manuring have told heavily on the health of the soil. The simple law of nature is that unless we give, we can't take. Let us, therefore, feed the soil so that the soil may feed us back!



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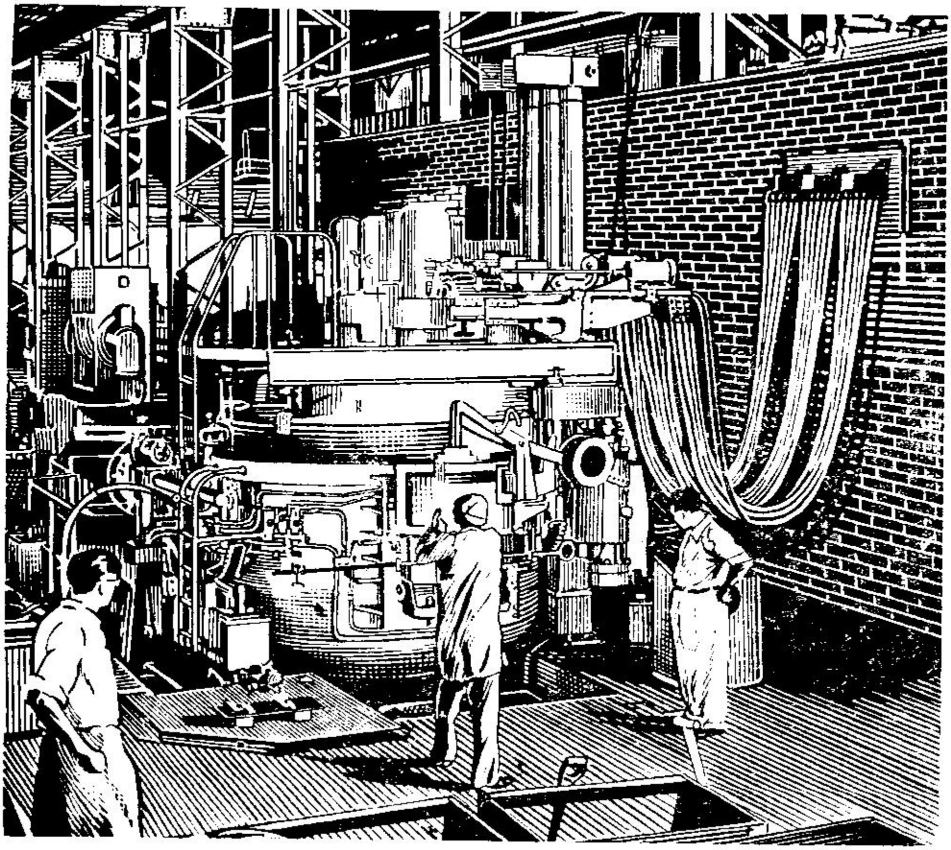


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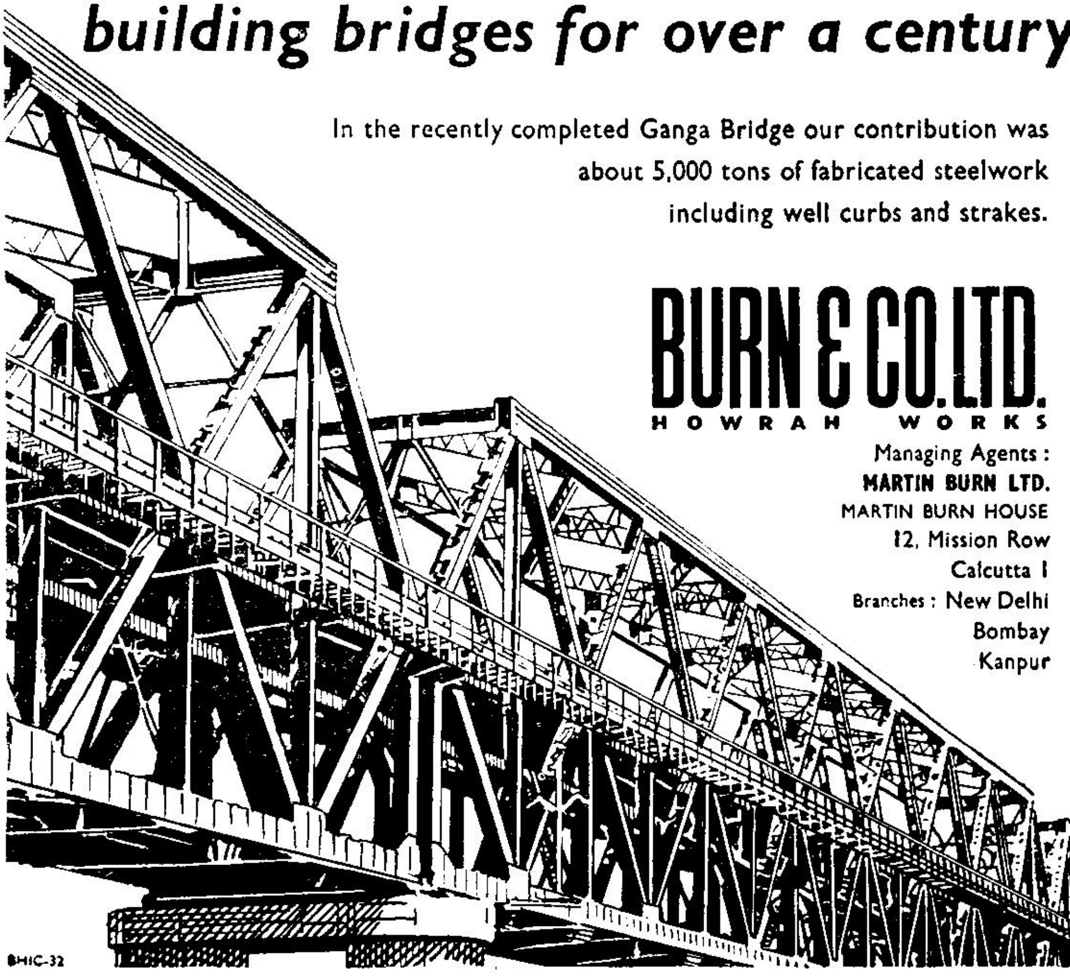

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