

CHAPTER - V

OBSERVATIONS AND FINDINGS

5.1 INTRODUCTION:

The organizational structure and information system were studied by the researcher by conducting interviews with the top management and the middle management of the organization, particularly with the Managing Director, Manager (Finance), Purchase Officer, Agriculture Officer, Labour and Welfare Officer, Chief Chemist, Chief Engineer, Store Keeper, By-products Incharge, etc. A direct face-to-face interview was conducted to get the relevant information regarding the organizational structure and information system of Shree Datta Shetkari Sahakari Sakhar Karkhana Limited, Dattanagar. They have provided the existing organizational structure, which is enclosed (See Appendix). For the sake of convenience, the main three structures of the concerned organization have been selected for the purpose of the present study, viz. top, middle and lower levels.

1. Top Level:

The top level consists of the sugar factory shareholders, the board of directors, the Managing Director, the Secretary, the Manager (Finance), the Agriculture Officer, the Works Manager, the Distillery Incharge, the Manager (Paper Plant), etc. Shree Datta Shetkari Sahakari Sakhar

Karkhana Limited, Dattanagar, has been controlled by the Board of Directors, to whom the researcher was not able to contact.

2. Middle Level:

The middle level management consists of engineers, chemists, the Purchase Officer, the Labour Welfare Officer, the Medical Officer, the Guest-House Incharge, accountants, cost-accountants, harvesting and transport incharges, cane development officers, soil testing officers, the Horticulture Officers, the Godown-Keeper, the Store-Keeper, etc.

3. Lower Level:

At the lower level, civil engineers, time-keepers, sub-accountants, agriculture overseers, fieldmen, slip boys, supervisors, shift engineers, electric engineers, laboratory incharges, mechanical engineers, quality control incharges, foremen, etc., are placed.

It is observed clearly that distinct departmentation, which is divided into primary and secondary functions, and the executives specialising in particular areas rendering services to all basic functions, characterise the functional relationships. In the entire structure line, line and staff organization and functional organization maintain their identities.

The management, in close harmony with the organization's climate and systems, is yielding fruitful results

and is meeting the organization's goals successfully. The whole organization seems to consist of various departments led by the respective departmental heads:

<u>Department</u>	<u>Concerned Officers</u> [Departmental Heads.]
Chairman	Shri.Appasaheb alias S.R.Patil
Vice-Chairman	Shri.B.N.Patil
Managing Director	Shri.D.S.Gurao
Manager (Finance)	Shri.M.V.Patil
Purchase Officer	Shri.S.V.Kulkarni
Stores Officer	Shri.M.S.Patil
Chief Chemist	Shri.K.B.Gange
Engineering	Shri.S.P.Sanikop
Cane Development	Shri.S.B.Patil
Paper Division	Shri.Ganbavale
Personnel Officer	Shri.S.S.Patil
Distillery Division	Shri.B.R.Aware
Horticulture	Shri.P.V.Jadhav
Computer	Shri.Landage
Vehicles & Guest-House Incharge	Shri.Raut
Security Officer	

5.2 DEPARTMENTATION OF DATTA S.S.S.K.LTD.:

There are different departments, which work freely under one head to accomplish the goals of the organization. The different departments are as follows:

(A) Agriculture Department:

1. Agriculture:

Agriculture Department is the most important department in a cooperative sugar factory. This department is related with the farmers and the canegrowers. The Agriculture Department has been made by the union of two departments, viz.

- i. Fieldmen (Agriculture Assistants)
- ii. Cane Development

These two departments work for the accomplishment of the same objectives and goals.

Agricultural Assistance and Cane Development Officers deal with sugarcane production activities. These officers are working in specific fields. For increasing sugarcane production, the factory management provides, through these officers, standard seeds, fertilizers, chemicals, water facilities, soil analysis facilities, etc., to the farmers. These departments also collect the information through fieldwork about sugarcane acreage, types of sugarcane being grown, area, maturity date of sugarcane, etc., for preparing the reports for the management. This data is collected by the regional officers and on the basis of the data so collected, a harvesting programme is prepared for sending to the management.

2. Transport and Harvesting:

Transport and harvesting department is a part of the agriculture department. On the basis of the prepared harvesting programme, harvesting of the sugarcane is made. In a cooperative sugar factory, transport and harvesting function is done by the factory contractors. These contracts are reported to the accounts department for payment and to the agriculture department for ready reference.

3. Cane-Yard Supervision:

The Cane-Yard Supervisor works at the factory site. He supervises on the cane available at the factory site and gives information about the number of bullock-carts, tractors, trucks, etc., available at the factory site to the Managing Director and Chairman. This officer plays a dominant role in the regular supply of sugarcane to the factory.

(B) Manufacturing Department:

The Department that actually produces sugar is the production/manufacturing department. Here, modern machinery and latest technology are used. The department is managed by efficient teams of managers and production officers.

The manufacturing department is divided into different sub-units and sub-sections, in which different operations take place, for converting the inputs into outputs.

There are different processes for converting sugarcane into sugar. These processes are carried out under the supervision of two departmental heads:

1. Chief Engineer:

The Chief Engineer's Department is responsible for the main power house of the factory, which moves all the machines by supply electricity to them.

In this Department, the collected sugarcane is crushed in proper and economical manner. Maximum extraction of sugarcane juice is maintained in this department, alongwith the crushing rate. This department is alert about juice extraction and cane crushing rate, because of the plant efficiency considerations. The Incharge of this Department regularly sends out various types of information to the Works Manager and the Managing Director for decision-making. Efficiency and profitability of the factory is dependent upon this Department. Hence, this Department is one of the important Departments of a sugar factory.

This Department continues to work in off-season also. The whole machinery is dismantled in the off-season period and the necessary oiling, greasing, adjustments, replacement of spareparts are done by this Department. For completion of these jobs, the required material has to be taken from the factory stores, for which purpose, different types of requisitions

are sent to the stores department for material issue and a copy to the Managing Director for his approval.

2. Chief Chemist:

This is another most important departmental head working in the manufacturing department. This officer is responsible for the chemical processing of the cane-juice which is supplied by the engineering department. In this department, juice-boiling, adding of different chemicals and maintaining the purity of juice and such other activities and functions take place. For the completion of these jobs, the requirements are taken from other departments like stores, electricity section, etc.

In this department, scientific and systematic processing of the cane juice takes place, converting the juice into the final product, i.e. sugar. On the basis of the size and quality of the sugar produced, it is graded suitably. Generally, the sugar factories produce L,M and S grades of sugar. Weighed sugar bags are prepared and kept in the godown. Finally, a daily production reports together with the grades of the sugar produced is sent to the Works Manager, the Managing Director, the Chairman and the Excise Department.

(C) **Stores Department;**

The Store-Keeper is incharge of this Department. This department very closely helps the production department.

The stores department is a custodian of the goods and materials, and except for the raw material, i.e. sugarcane, it purchases, receives, keeps and stores all other materials required by the factory. Various departments submit their material requisitions to the Store-keeper, by specifying the nature and the quantity of the materials required. If the required material is not already available in the stores, the Store-keeper approaches the purchase department giving them the reference of the requisition slip of the department which is in need of that particular material.

Generally, the Stores Department, after knowing the monthly and yearly consumption of different materials, advises the purchase department suitably who undertake the purchases. Normally, the material requisition slips are prepared in four copies, one is retained by the indenting department, second copy by the stores, third goes to the accounts department and the fourth to the purchase department.

Whatever material is brought into the stores, is duly checked and recorded. There are a number of inventories which are found in the stores, like packing materials (bags), oils and lubricants, fuels, electrical parts and equipment, machinery spareparts, building materials, chemicals, bearings, etc. In case of emergency or accidental breakdowns, the needed materials are purchased at once by the concerned department without any delay.

The Stores Department fulfills the requirements of different departments, which may be immediately or permanently needed. It provides different materials to different departments, which work for the accomplishment of the objectives of the organization. To avoid any stoppage of the work, the stores department is required to maintain an inventory of the items which are needed in the industry.

Accounts of different materials, by keeping track of the quantity and price or cost, are maintained so as to avoid any mistakes. Physical checking of all the materials in the stores is done once in a year and it is compared with the stock-registers.

(D) Purchase Department:

The Purchase Department does the purchasing of the materials required by the entire factory, on the basis of the departments' requisitions or the past experience. For this purpose, the purchase department prepares a sequence of requirements (demands) on the basis of the importance of a particular material. The purchase department sends out enquiries to the suppliers, collect quotations from them and prepare comparative statements for finding out as to which supplier's prices are economical. After the approval given by the Managing Director, purchases are made and information sent to the stores department and the accounts department.

(E) Labour and Welfare Department:

This department has been made by the union of two departments:

1. Labour and Welfare Officer:

The Labour and Welfare Officer deals with the staff activities related to their administration. It maintains good relations between the management and the employees of the factory. It also carries out the functions of recruitment, selection, training, placement, welfare-benefits, welfare-facilities, motivation, performance-appraisal, etc. It also maintains employee records and the collected information is sent to the management for taking appropriate decisions.

The Labour and Welfare Officer prepares attendance-sheets, showing the number of employees, working days, allowances, deductions, etc., and submits them to the Account Section for salary/wage payments.

2. Time-Keeper (Time Office):

The Time-office Department is concerned with the time record of the various employees. The time-keeper maintains records related to the employees attendance and leave, which are necessary. He also records the number of employees, their grades, salary, employee history, etc. This information is provided to the management, if and when required.

(F) Sugar Godown Department:

The finished sugar is preserved properly in the sugar godowns. The sugar godown is in the custody of the Excise Department and also of the Bank if any advance/loan is taken. The daily stock of sugar is informed to the Managing Director of the factory and also to the Government authorities.

On the basis of the realized orders for sugar, the sugar bags are despatched to the concerned parties. This information also is reported to the Chief Accountant and the Managing Director and to the Excise Department of the Government.

(G) Accounts Department:

1. Finance Department:

Finance Department Manager is entrusted with the task of ensuring the use of funds in an optimum way; so that the requisite funds are arranged in time, as and when required, and the organization bears a minimum cost for these funds. The Finance Department, in practice, looks after and controls the accounting function also, in addition to the finance function.

Some of the Finance Department's function include: management of working capital, fixed capital, long and short term capital, management of current assets and liabilities, management of capital financing, preparation of funds-flow statements, cash-flow statements, and sending the necessary

information to the Managing Director for decision-making.

The Accouts Section in the Finance Department prepares stores-purchase account, expenses account, wage and salary account, sales account and other miscellaneous accounts.

2. Costing Section:

In the Finance Department, there is yet another section, viz. the Costing Section, which also performs the function of a management information system unit. The costing section collects relevant information and calculates the cost of relevant products and processes. The Costing Section carries on:

1. Standard costing,
2. Marginal costing,
3. Feasibility of analysis of proposed machines,
4. Index calculations on monthly basis:
 - a. Total purchase of sugarcane,
 - b. Department-wise expenses,
 - c. Purchases of other materials,
 - d. Taxes and charges,
 - e. Profit:Volume analysis,
 - f. Store expenses per bag per month,
 - g. Financial statements.

3. Cane Accounts:

Cane Accounts is one of the other sections of the

Finance Departments. In this section, cane accounts records are prepared, i.e. sugarcane price, members, non-members' sugarcane, their price, billing of cane price, deductions, if any, transfers, pre-withdrawals, etc. This section provides information on monthly basis to the management and the factory's bankers.

(H) Administration Department:

In this Department, the Secretary and the Office Superintendent work. The Secretary calls various meetings and conducts them. He prepares proceedings of these meetings and submits them to the Managing Director, Board of Directors and whenever necessary, to the Government authorities.

The Office Superintendent handles Court matters, legal matters and supervises the general administration

The Secretary and the Office Superintendent are the two very important media of information transfer. All the information collected in this Department is given to the Managing Director for decision-making.

(I) Security Department:

Security Department comes under the Managing Director and is led by a security officer. The main function of the security department is to provide overall security to the plant and its contents.

Security personnel regulate the security on the factory's main-gate, check the permission cards as also illegal passing out of the materials from the factory premises outside. To protect the movable and immovable property of the factory and help in the smooth running of the factory and avoid thefts, the security department is important. Security of the materials, personnel, documents and money is ensured by this department.

If any problem or dispute arises within the factory premises, the security officer immediately informs the Managing Director for quick action.

After briefly describing the role played by each department in the overall functioning of the factory, attention is now turned to the specific type of the information collected by each of these departments:

1. Finance Department:

This department collects the information with regard to:

1. Cash-in-hand and cash-at-bank,
2. Total outstanding loans (various types),
3. Cane producers' liabilities, deposits, cane payment, interest payment,
4. Funds required for administrative expenses like salary and wages,
5. Due/Payable amounts for factory consumable goods,

6. Sugar sales realization,
7. Sugar stock position.

(2) Accounts Department:

Under this Department, following important information is collected:

1. Cane weighment slips for agriculture department,
2. Cash vouchers from various departments,
3. Cash position reports from finance department,
4. Sales, stock report from godown,
5. Receipt and issue of stores material,
6. Workers' monthly paysheets from personnel department,
7. Contractors' advances from agriculture section,
8. Vehicle expenses from vehicle incharge,
9. Deduction reports from various financial institutions like society, banks, etc.

(3) Purchase Department:

This department collects the following information:

1. Purchase requisitions from various departments,
2. Quotations from various suppliers,
3. Passed board-resolutions regarding purchase of materials,
4. New suppliers and manufacturers' information.

(4) Stores Department:

1. Stock position report in various departments,
2. Purchase orders from the purchase department,

3. Store indents from various departments,
4. Suppliers' bills for the material confirmation.

(5) Personnel Department:

This Department, having two units, viz. Labour & Welfare and Time Office, collects the following information:

1. Selected employee/recruitment lists of workers,
2. Employees' duly sanctioned leave applications,
3. Employees' behaviour reports from various departments,
4. Accident reports from the concerned departments.

(6) Administration Department:

It collects and receives the following information:

1. New demands from various sections,
2. Complaints, if any, from various sections,
3. Present position reports from various departments,
4. All decision-making reports/matters referred to the administration department,
5. Information supplied to the meetings.

(7) Production Department:

Production Department, having manufacturing and engineering sections, collects the following information:

1. Store stock position report from stores department,
2. Cane availability in cane yard for crushing,
3. Cane sample reports from agriculture department,
4. Maintenance reports from various departments.

(8) Agriculture Department:

1. Cane registration applications from farmers/canegrowers,

2. Reports from the manufacturing department regarding cane maturity for harvesting,
3. Harvesting programme from the management,
4. Contractors' advance reports,
5. Chemicals, fertilizers reports supplied to various farmers by the stores department.

(9) Security Department:

The General Administration Department provides information to the Security Department regarding matters like placement of goods, check on the outgoing materials, etc.

(10) Godown Department:

Sugar house reports to the Godown Department regarding grade-wise number of sugar bags, sugar release orders from the accounts department, etc.

5.3 CONCLUSION:

In a competitive world, the strongest weapon is 'information'. Information helps managers to perform their managerial functions better, march towards excellency, innovate new production methods, reduce conflict and face the market problems. Information also enhances product and service differentiation by giving customers uptodate, less-expensive products and services, better and easier access to products and services, improved quality, quicker response, broader range of products and services. Quality information improves productivity by

breaking down communication barriers between the office and operations. Development of a proper Management Information System has become essential for every organization today.