



CHAPTER FIVE  
MANAGEMENT PROCESS ADOPTED IN SHRI  
SHAHU CHHATRAPATI MILLS, KOLHAPUR

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In this Chapter, an attempt is being made to highlight the management process adopted by Shri Shahu Chhatrapati Mills, Kolhapur.

**5.1 PLANNING:**

This organization has adopted the planning function as well as activities to start with objectives. The main aim of setting the mill was to provide cheap cloth to the poor people and the other reason being the availability of ample raw material as well as the demand for the finished product.

The mill also undertakes the activity of selling the yarn. It has its own depots and the yarn is sold in Ichalkaranji Market through brokers. The exports finished cloth to UK, the USA and USSR according to their requirements. Only the cloth is exported to the above countries, not the yarn.

The objectives of this organization are:

- (1) To purchase plant and machinery suitable for the purpose of spinning, weaving, manufacturing, dyeing and bleaching of cotton yarn and cotton cloth;
- (2) To purchase the materials and equipments, either on paying cash or on credit as required by the unit;

- (3) To undertake research and such other activities as are incidental and conducive to the development of cotton growing, yarn spinning, etc.;
- (4) To promote support and to turn the canteen, training institutions, welfare facilities, medical facilities, etc., for the convenience of its employees;
- (5) To make, accept, endorse and execute promissory notes, bills-of-exchange and other negotiable instruments;
- (6) To encourage self-help, thrift and cooperation among the members.

Regarding the type of planning, it has been noticed that all the types of planning are carried out, such as financial, administrative, operative, short-term as well as long-term.

This organization has no separate planning and development department. This is done by the mill's costing department, MBO targets are prepared by the mills and these are approved by their head-office at Bombay.

In conclusion, all the plans laid down by the costing department has one common objective, that of increasing the productivity and the sale of cotton yarn. The organization still does not adopt the concept of short-term, medium-term and long-term plans, inspite of its long history.



## 5.2 ORGANIZATION:

This organization has adopted the line-cum-financial organization structure and it is observed that in this organization, there exist ten departments, namely,

1. Spinning Department,
2. Weaving Department,
3. Engine Department,
4. Folding and Processing Department,
5. Finance Department,
6. Sales Department,
7. Labour Department,
8. Administrative Department,
9. Safety Department,
10. Purchase Department.

The employees are well aware of the organizational structure. So, this structure is found to be useful and suitable for the organization, as it facilitates specialization with clear demarcation of duties, area of production and manpower for each function.

The organization purchases its requirements of raw cotton from the Maharashtra State Cotton Growers' Cooperative Marketing Federation or the Cotton Corporation of India or from private traders. The year-round supply of cotton is ensured through phased delivery schedules confirmed with each supplier.

The finished product, i.e. grey-dhoties, poplins and shirtings, is sold through three channels. In the local market, the cloth is sold

through the mill's own retail shop. In the State of Maharashtra, the mill supplies cloth to reputed wholesalers in the cities. In other States, however, the mill has appointed its agents. The sales activities are supervised by a Sales Manager, who reports directly to the General Manager of the mill.

In this organization, it is observed that the organization is having all types of committees. They are:

1. Local Committee,
2. Departmental Committee,
3. Canteen Committee,
4. Welfare Committee.

The Local Committee consists of the Chief Executive Officer, Labour Director, Production Manager, etc. It meets frequently to consider the problems of the mill and the on-going activities. The Canteen Committee consists of the Factory Manager, Labour Officer, Chief Engineer and the Assistant Labour Officer. The Canteen Committee has been formed for managing the canteen. The Welfare Committee consists of the General Manager, Labour Officer, Finance Officer, Administrative Officer, Workers' representatives, etc. The Welfare Committee considers the arrangement of social programmes.

With regard to the organizing function, it is observed that:

(1) Production:

This Department is looking after production according to the information provided by the spinning, weaving, folding and processing, engineering and statistical quality control departments.

(2) General Administration:

Under general administration, the following departments exist in the organization, namely, finance, purchase, sales, labour, administration and safety.

The organization has implemented Employees' State Insurance Scheme and the employees' provident fund facilities. The organization supplies the basic minimum needs of workers like providing drinking-water, medical facilities, workers-training facilities, etc. and also provides welfare facilities, like:

Canteen : The mill provides bread and tea at subsidized rate;

Grain-Shop: The facility is provided to the Badli as well as permanent workers to purchase grain on credit upto Rs.250/- per worker each month.

Creche: A creche is provided and maintained for female workers' children under six years of age in clean and sanitary conditions.

### 5.3 STAFFING AND TRAINING:

The method of recruitment adopted by the organization is through advertisements, recommendations and employment exchange. First, an advertisement is given in local newspapers and after scrutinizing the applications, qualified candidates are called for an interview. After successful completion of the interview, final selection is made. The second method is calling a list of suitable candidates from the employment exchange and filling up the required positions from among these candidates.

At present, the mill employs 147 office-staff, 1363 permanent workers and 273 temporary workers.

The recruitment of all officers is made by the head-office (MSTC Limited, Bombay) and the rules and policies are followed as per their instructions. Recruitment of supervisors, clerks and workers is done at the mill level and the General Manager is the final authority to take a decision in this regard. The organization adheres strictly to the guide lines laid down by the head office. Recruitment through employment exchange, reservation for backward classes and economically-weaker sections are given preference in accordance with the Government directives. Preference to the relatives of the former employees who have retired or resigned is also followed by the organization to a large extent.

This organization provides training facilities to its employees whenever needed. The duration of training is of six months. Generally, training is given to the workers. The objectives of the training programme are:

- (1) To make the trainee understand the general sequence of textile manufacture, so that he understands his role in relation to others;
- (2) To make the candidate understand the working of his machine, its mechanism, its settings, etc.;
- (3) To make him aware about his organization, department hierarchy of textile mill, with particular reference to other sister concerns.

At the end of a training programme, the coordinator and the evaluator interview all the candidates and take a decision with respect to increase in the trainee's salary or to promote an employee who had



participated in the training programme.

The type of the training basically given to the workers is 'on-the-job' training. They have also started training in various aspects like maintaining the quality of product, reducing wastages, maintaining productivity, etc., through practical demonstration, whenever necessary. The SQC (Statistical Quality Control) Officer is also entrusted with the job of training the workers related with the production function.

The promotion of the officers takes place as per the norms laid down by the Maharashtra State Textile Corporation.

For operatives and clerks, as per the union agreement, seniority and experience is given more weightage in respect of promotions. Now-a-days, however, merit is taken into consideration for promotion.

It has been observed that 50% staff is not fully qualified and trained. It is generally felt that efficient personnel management, detailed specifications of requirements of different jobs, time and motion study, etc., are absent in the organization.

#### 5.4 COMMUNICATION:

Communication is one of the important personnel policies, to build up good human relations in an organization. Thus, informing employees about cooperation policies, plans and objectives is considered as primarily important by this organization. The mill is trying to maintain good industrial relations with proper communication system. The channel of communication observed in this organization is that of formal, informal, downward, upward and diagonal.

'Shahu Mill Patrika' is issued monthly and is regarded as one of the best available remedy for creating good employee relations and communication with the management. This provides reliable transmission of new ideas and exchange of views on the problems as well as progress of the mill. The objective of 'Shahu Mill Patrika' is to convey the mill's working activities, labour problems, production problems and inviting suggestions from the employees of the organization. The 'suggestion scheme' implemented in the mill is also regarded as one of the important channel of communication through which the management is securing profitable ideas from employees and improving human relations in the organization.

Some supervisors and workers reported that notice-board is the most common means of communication. In each and every department, a notice board is available. Majority of the workers responded that their trade union is also a common means of communication.

#### 5.5 MOTIVATION:

The quality of management, no doubt, is the organization's greatest asset, but the success of any organization largely depends upon its workforce and the inner motivation the workers receive from the management. Work can be meaningful and satisfying to the workforce only when it elicits and stimulates their inner motivations. Only then, their experience on the job will become an integral element in total life experience during which they move towards their full potential as persons.

In Shri Shahu Chhatrapati Mills, the actual practice of motivation is provided through monetary incentives for the additional work done; for example, if a worker has a target to produce 100 units in 8 hours to be paid for at the rate of Rupee one per unit, and if he produces 120 units in the same time, the extra 20 units are paid for at the rate of Rs.1.25 per unit. He is thus motivated to give additional output.

Similarly, the organization is adopting various motivational aspects in order to motivate the employees directly or indirectly, such as production control, rest periods, heat, light and ventilation arrangements, group-spirit, canteen, creche and grain shop. The employees who are sincere and hardworking are rewarded and promoted by the organization.

#### 5.6 DIRECTING:

The 'directing' function begins with the Board of Directors. The Board, through its chairman, directs the work of the organization. More particularly, the Chairman directs the work of the General Manager. The General Manager then directs the work of the production manager, finance manager, purchase manager, sales manager, administrative officer, labour officer and safety officer.

The production manager directs the work of spinning masters, weaving masters, folding masters, processing masters, chief engineer and the SQC officer.

Every departmental-head, in turn, directs and supervises the work of subordinates. The process implies the supervisors directing their

subordinates' performance together with the needed guidance in relation to the assigned tasks and the process of accomplishing them.

Official decisions relating to various aspects are conveyed to the concerned employees through circulars and orders. An order from a superior to his subordinate forms an important part of the process of directing.

It is seen that this organization is having 15 supervisors and they give direction regarding specific activity to the concerned employees in its performance.

#### 5.7 AUTHORITY AND RESPONSIBILITY:

'Authority' in this organization flows from top to bottom. Decisions are taken at the MSTC level. The Board of Directors is empowered to organize the whole activities of the organization. The Chairman of the Board enjoys full authority. He delegates authority to the Managing Director and the Managing Director delegates authority to the General Manager. The General Manager looks after the day-to-day operations of the organization. He delegates corresponding authority to all the departmental heads, such as spinning, weaving, folding and processing, engineering, finance, sales, purchase, labour, administration and safety departments.

It is observed that the subordinates are enjoying sufficient authority to do their job. It is clear that the authority in this organization is, to a certain extent, decentralized but not to the full extent.

#### 5.8 CONTROLLING:

The executives adopt various measures for controlling the activities of the organization. The employees who fail to perform their duties as directed are punished. In extreme cases, like fraud, chronic absenteeism, total negligence of work, they are suspended, demoted or terminated.

In Shri Shahu Chhatrapati Mills, a defaulting worker is first given an oral warning, then a written warning. If the misconduct continues, fine is imposed or he is suspended and lastly, dismissed. It was observed that this method of controlling is satisfactorily observed in the mill.

It is seen that this organization is having a Management Information System (MIS); for example, a weaving master adopts some technique of production, planning and control (like control charts and inventory control). Similarly, the finance manager undertakes the preparation of profit and loss accounts, balance sheets and overall accounting and supervision of accounts.

The MIS has recently been developed by the organization. Whenever board meetings are held for taking major policy decisions, the required information in this connection is asked for and in the light of the information received, the final decisions are taken.