



A CRITICAL ANALYSIS OF MANAGEMENT'S FUNCTION OF MODI RUBBER LIMITED

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ABSTRACT

The present study makes an analytical study of tyre industry with special reference to Modi Rubber Limited. An attempt is made to analyze in-depth the management process in the tyre industry. The entire management functions broadly consist of organization, planning, communication, co-ordination, and decision making. The management means to forecast, to plan, to organize, to command, to coordinate and to control. There are two purposes of the management process, first maximum productivity and profitability and secondly maximum human welfare and satisfaction. The concept of management can be interpreted in two ways, first management is getting things done 'through other people' and second management is 'getting things done through other people'. Under the first concept of management, the manager thinks that he has a kingdom and many people to work for him, while, in the second concept of management, the performance of work is given topmost priority. This is possible only when the manager develops a sense of responsibility for accomplishing results in the entire organization.

Keywords :- introduction, management power, organization, planning communication co-ordination, decision making.

Introduction of the Tyre Company

The smooth and prosperous running of the industry depends upon the willing and active co-operation between the management and the workers. Indian tyre industry has a dominating place in the economy of India. Technology generation in the Indian tyre industry has witnessed a fair amount of expertise and versatility to absorb, adapt and modify international technology to suit Indian conditions. Indian tyre industry has been reporting good growth figures over the past few years, spurred by the growing passenger vehicle and two-wheeler market. The major tyre companies, especially those which solely survive on automotive tyre business today, suffer as a result of a restricted market growth. In the event of radial tyres coming into the market in a big way, with their increased life, the market growth will be further effected. With the limitation of rail transport in our country, road transport has a significant complementary role to play especially in the agricultural, commercial and industrial sectors[2].

Though problems such as power and labour still hamper industrial production, the most critical factor responsible for slowing down the industrial growth is that demand in the market is not increasing as it should. If proper measures are not taken well in time, a number of industrial units would grow sick. The need of the hour is to reduce excessive manpower and raise productivity. The solution is possible with determined efforts and close co-ordination and cooperation between the industry, the government and the workers.

Modi Rubber Limited

The Modi Group of Companies is one the leading business houses in India and Modi Rubber Limited, is the pride of the House of Modi's. The letter of intent was issued in 1968, which was converted into an Industrial Licence in



March 1972. On 22nd October 1972 late Seth Raibahadur Gujarmal Modi laid down the foundation stone of Modi Rubber Limited at Modipuram 7 kms to the north of Meerut in U.P. Modi Rubber Limited had technical collaboration with M/s Continental Gummie Werke, Hanover, West Germany. In India there were 12 major companies manufacturing tyres, 5 companies accounted for nearly 79% of total production. The lion's share of production was held by Ceat tyres, followed by Dunlop, MRF, Firestone and Modi.

Organization in Modi Rubber Limited

In all the Modi companies the top management consists of two or three members of the family. For e.g. in Modi Rubber Limited, Mr. K. N. Modi is the Chairman, Mr. V. K. Modi is the Vice Chairman while Dr. B.K. Modi is the Managing Director. Their areas of responsibilities are diverse and clearly defined. This type of organizational structure also implies that each of the family members has to divide his attention and potentialities between two and three companies of which he is the Managing Director. Many of these companies have their Head Offices and factories located some hundreds of miles apart from each other. Their expectations are high but what is expected of them is still higher. According to Mr. K. N. Modi there is no clash of interests. They are very keen to preserve their image as a body that represents the efforts of late Seth Rai Bahadur Gujarmal Modi. This integration is very dear to them. They do recognize that on certain occasions there may be clash of interests but they are discussed and solved willingly. So Modi Rubber Limited has got a very flexible structure with sufficient flexibility to achieve the desired results.

The power of managers in Modi Rubber Limited is also vested in two or three members of the Modi family. As a matter of fact the top management is in the hand of Modi family. This is not good from the management point of view. If in case, any dispute arises in the Modi family then it will create problems for the company. In 2001 due to a dispute in the Modi family over share-holding pattern the production was temporarily halted[2]. Afterwards Modi Rubber Limited was taken over by M/s Continental Gummie Werke, Hanover, West Germany on 18 April 2011.

Planning in Modi Rubber Limited

Planning is the first task of the management. It is the determination of the course of action to achieve a desired result. Planning is deciding in advance what to do, how to do, when to do and who has to do it. Planning bridges the gap from where we are to where we want to go. In Modi Rubber Limited planning is a combined effort of all the departments of the factory. There is a plant manager who is the head of production in the planning department. The plant manager co-ordinates with various departments and gets their ideas, suggestions and listen problems.

The following steps are taken into consideration before making a plan:-

1. Quality of the product,
2. Marketing Strategy (Competition, Requirements, Price, Government Policies, Market feedback, Marketing problems etc.),
3. Raw material supply
4. Demand of the product and
5. Selling concept of the product.

The production planning department checks out the plans according to the requirement of the market. After executing a plan it is handed over to the Managing Director of the company. The Managing Director consults it with the Chairman and after satisfactory conclusions it is taken up as final and gives his approval. The production planning department receives the approved plan and then this plan is sent to the office of the Plant Manager where he assigns the jobs to the managers of various divisions/departments. In Modi Rubber Limited, Planning is a continuous process. However, there is time bound planning also. Each and every individual in the factory is attached and is held responsible in the planning process.

Thus we can say that the every employee of Modi Rubber Limited is responsible for planning process and it is a continuous process.

Communication in Modi Rubber Limited

Communication strictly stands for sharing of ideas in common. Communication is an exchange of facts, opinions, ideas or emotions between two or more people, such exchange of thought or information can bring about mutual



understanding and confidence. If one person speaks or writes something which is not understandable to others, it is no communication.

In Modi Rubber Limited both oral and written communications are prevalent. A flow of information from top to bottom and from bottom to top- and both the systems are considered logically. The system of both communication from top to bottom is done through :- Inter office Memos, Circulars, written information, office orders. The other system of communication from bottom to top is basically through :- Applications, Oral statements, written statements, Memorandum by the employees or through Trade Union Members, Discussion with trade union, Concept of ideas between management and union, suggestion schemes, other emergency meetings between Management and Employees.

It is learnt that any information is received from any part of the plant or company that is also taken into consideration for smooth running of the plant and better productivity concept is adopted based on it.

In Modi Rubber Limited the flow of information from top to bottom and from bottom to top is considered logically but, as indicated, the communication from bottom to top can take time because each level as well as each individual department will have to decide, think and do at their own and then forward the view to their superior and until and unless the superior is satisfied with the proposal and he has no confusion about it in his mind, only then he forwards it to the top management for decision.

This process of communication in the company is very slow and takes lot of time to decide things in time and accordingly the company is often deprived of the benefits of the valuable suggestions of the employees. The top management is responsible for taking decision on the organizational structure. Therefore regular and continuous communication net work should be established to maintain the two way traffic of the flow of understanding.

Co-ordination in Modi Rubber Limited

The quality of co-ordination is the crucial factor in the survival of an organization. The trained cricket team, the members of which willingly respond to their Coach and Captain, efforts an excellent example of the highest form of coordinated effort. Friction and loss may result if industrial activities are not coordinated so that the work is finished in time. Thus, smooth working of the enterprise and the definite achievement of its objectives depends on sound co-ordination.

In Modi Rubber Limited each and every individual is responsible for coordination. All employees are doing work with their substitute at the lower level. For example, in the time office department, two assistants ABC and XYZ are working. If in case one of them is on leave, the other holds the office and there are rare chances of pending work to be left behind, whereas both are working independently and their job description is also different but both have better understanding in respect of job to be executed mutually for smooth running.

As such it is exemplary and we can say it is a better coordination with entire satisfaction. It is emphasized by the Industrial Relation Manager Mr. C. D. Sharma and according to him, co-ordination in Modi Rubber Limited is satisfactory and an excellent one. He stresses that harmonious and cordial relationship is one of the major factors to improve coordination among the entire machinery of the workforce and the management. Keeping in view all these, the management is always eager to assist employees for their welfare to attain efficiency as well as productivity so that there are rare chances of any problem in any sector of the company resulting which every individual of the workforce is always ahead in the best possible manner for the growth of the company and they often think for the betterment and vast development of the organization.

In Modi Rubber Limited there are four elements of co-ordination: 1. Willing cooperation between managers and employees. 2. Good human relations among the top management, middle management and employees. 3. Better understanding between the managers, supervisors and work force. 4. Effective communication between the managers, supervisors and workforce.

Decision-Making in Modi Rubber Limited

In the last several decades, research on the decision making process has indicated that decision behavior is quite complex and variable. All human beings make decisions that affect their own actions. Managers are mostly concerned with making decision. Thus the decision making process of management is affected by the environment of the decision maker and the role that he assures. Without decision the fundamental functions of management cannot be take place and the entire management process would not exist. Scientific decision making is a well tried process or arriving at the possible choice for a solution within a reasonable period of time. It is an important function



of management. Management without decision is like a man without back bone.

As far as decision making process in the organization Modi Rubber Limited is concerned, the top management is responsible for taking decisions on the organization structure of Modi Rubber Limited. The top management consists of the following personnel : 1. Chairman , 2. Vice Chairman and Managing Director, 3. President and 4. General Manager.

The top management in consultation with the middle level management takes decisions for planning in the company. Decision making process in Modi Rubber Limited is very liberal. Proper consideration is given to the employee's feelings. Although the top level management has to take decision only. But the employee's representatives are also consulted regularly and their opinion plays a very decisive role in respect of decision making. All concerned employees and officers are involved in the decision making process. The members of a joint management council, shop floor council and quality circle (a voluntary organization consisting of 10-15 people of the departments working at the same place) sit together and take the decision unanimously.

The top management takes decisions for the appointment of managers as well as its higher positions. The middle management takes decision of appointments for the positions of assistant managers and above but not the managers. Rest of the appointments are looked after by the Personnel Department.

Present Scenario of Modi Rubber Ltd.

Due to the continued family disputes in the Modi family, the world's fourth largest tyre manufacturer company M/s Continental Gummie Werke, Hanover, West Germany in 18 April 2011 has taken over full control of India's Modi Tyres Company Ltd in an all-share deal valued at 18.6 million[2]. The acquisition of the Modi Rubber Ltd. is intended to build up Continentals presence in the subcontinent by expanding local production and distribution of tyres for trucks, buses and passenger cars. As per the terms of the agreement, the Continentals took over control of 100% stake in Modi Tyres on April 18, 2011 and the acquisition process has just been completed. The two sides agreed not to disclose further details on the deal.

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