

C H A P T E R - 5

CHAPTER 5

OBSERVATIONS AND SUGGESTIONS

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CHAPTER 5 : OBSERVATIONS AND SUGGESTIONS

Based on the data analysis presented in preceding chapter following observations are drawn on which a package of suggestions is offered in next part of this chapter.

5.1 OBSERVATIONS OF THE STUDY

1. The material productivity fluctuated from 66.01 percent to 80.42 percent. The material productivity for the year 1986-87 was relatively better. It was lowest in the year 1989-90.
2. The "labour cost ratio" indicating labour productivity varied between 3.02 percent to 3.52 percent for the study period. The labour productivity was relatively higher in the year 1988-89 in which year WSDUPS Warananagar performed with lower labour cost.
3. The "over head productivity ratio" varied between 16.21 percent to 18.37 percent of revenue. In the year 1989-90 the productivity was higher.
4. The overall productivity of the organisation varied between 87.43 percent and 99.97 percent showing low profit margin. In the year 1986-87 productivity seems to be better.
5. The capital productivity analysis force to conclude that -

- i. The return on 'Capital employed' is varied between 3 percent and 26 percent averaging 15.6 percent.
 - ii. The return on 'Net Worth' is varied between 6% and 49 percent averaging 30.20 percent.
 - iii. The return of 'Total Assets' varied between 3 percent and 16 percent averaging 10 percent.
 - iv. The Net margin is varied between 01 percent and 06 percent.
 - v. The 'Sales Total Assets Ratio' varied between 1.84 times and 2.56 times.
 - vi. 'Sales to Net Worth Ratio' varied between 5.87
'Debt Serving capacity' has registered an increasing trend.
6. Departmental productivity analysis forced to conclude that - Capital productivity is satisfactory averaging 64.56 times of depreciation expense power productivity is very impressive with an average of 104.51 times indicating optimum use of power resource. The administration productivity average 29.30 times and organisational productivity average 1.23 times indicating less amount of profit earned.
7. The value added productivity leads to following conclusions -

- i. per employee productivity averaged Rs. 54.48 thousand per year. The value added per rupee of invested per year resulting into earning of Rs. 41.38. The sales per rupee invested averaged Rs. 2.41 per year, and value added per rupee of sales averaged Rs. 17.28 for the study period.

It can be concluded from the above observations that though there is not system of "productivity measurement" the productivity of the organisation is good and can be made better if consert efforts are put in. For this purpose, a set of suggestions is offered in the next part of this chapter.

5.2 SUGGESTIONS OF THE STUDY

Based on the observations made following suggestions are offered.

As there is total absent of productivity owareness and productivity measurement system it is the need of the organisation to develop the same which can be achieved if following steps are taken.

1. There should be encouragement and incentive for technological innovations and use of mechanical aids.
2. Steps should be taken to promote productivity

mindedness.

3. Steps should be taken to tone up the climate to find out better ways to complete work.
4. Wage increase should be linked with productivity contributions.
5. Use of computer system or time-sharing terminals should be increased in decision making, cost estimating, design analysis drafting testing and preparing reports.
6. Work force should be motivated towards productivity objectives.
7. Research and Development programmes should be introduced to bring about productivity breakthroughs, required by the organisation.
8. Inter-firm comparison should be attempted to bring waste and time usage control.
9. Healthy competition should be promoted among groups and between organisation.
10. Efforts should not be confined to cost control. They should extend to probing areas for effectiveness and efficiency improvements.
11. Productivity appraisal should dominate performance appraisal in the organisation.

In the conclusion it can be said that development productivity concept in the organisation is the requirement of the day.