

CHAPTER - VII

"No country can dream of its economic prosperity without maximum utilisation of human resources".

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CHAPTER - VII
FINDINGS AND SUGGESTIONS

The working and performance of Co-operative Spinning Mills in Karnataka State are not satisfactory only a few are showing better results and are working on proper and healthy lines. Lack of managerial ability and technical know-how, mis-use of funds, interference of political leaders, lack of highly specialised and skilled personnel etc. are the responsible factors for the failures.

In Bijapur District there are three Co-operative Spinning Mills, working under Co-operative Principle. The Bijapur Co-operative Spinning Mill is already closed. The Sagalkot Co-operative Spinning Mill is, however running but incurring continuously losses. Since its inception, only a few years it has earned a profit.



TABLE VII : 1 : PROFIT & LOSS POSITION OF THE MILL

Year	Profit	Loss
1971-1972	7.40	-
1972-1973	-	1.64
1973-1974	-	1.46
1974-1975	-	13.68
1975-1976	-	9.13
1976-1977	-	5.76
1977-1978	-	8.27
1978-1979	0.78	-
1979-1980	18.13	-
1980-1981	0.32	-
1981-1982	-	-
1982-1983	-	19.36
1983-1984	0.34	-
1985	32.50 (Estimated)	-

Table VII : 1 shows that the Mill has earned a profit of Rs. 7.40 lakhs during the year 1971-1972. Since then, except in the years 1978-1979 (Rs. 0.78) 1979-1980 (Rs.18.13 lakhs) 1983-1984 (Rs.0.34 lakhs) the Mill is running under loss. The Mill was expecting a profit of Rs. 32.50 lakhs during the year 1984-1985. The researcher feels that the Management of the Mill should take certain precautionary steps to improve the financial position of the Mill.

If we diagonalise the reasons for such losses the causes are :

- 1) Lack of Managerial ability-
- 2) Lack of technical know-how.
- 3) Old method of production.
- 4) Mis-use of funds etc.

The researcher is proposing certain Suggestions. The main and important suggestions are given below. :

- 1) NEED OF CHANGE IN ORGANISATION AND OUTLOOK :

The researcher feels the necessity of changing the outlook and pattern of organisation. Though it has started under Co-operative Sector, the activities of production of Yarn, purchase of raw-material, Sales of finished products etc, should be on commercial basis. Improved methods of production, Standardisation, simplification, Specilisation, time and motion

study should be introduced; in the field of production. highly skilled, qualified and experienced persons should be appointed.

Purchase of raw-material (Cotton) should be undertaken by an honest and qualified officer. Purchase officer should held responsible for the loss due to Low-quality of Cotton.

2. The Sales activities of the Mill should be given due importance. A special sales department, headed by an officer, should be opened.

3. In the Mill, the Government nominee is working as Managing Director and he is Specialised and experienced in Co-operative field. He may be an expert in the Field of Co-operation, but may not be a proper man to manage the Mill under commercial line. A man of business world having M.B.A. or other equivalent degree, and rich experience should be appointed as 'Managing Director'.

4. KEEPING SEPARATE ACCOUNTS :

The mill has undertaken at present the following two :
Main Activities :

- 1) Purchasing the raw-material and production yarn in 4 qualities.
- ii) Purchasing the Cotton and Selling it in the Market when there is better price.

It is observed, by the Researcher, that, all the expenses of both the activities are combined and thereby the net result is losses. The profit earned by the Second activity is eaten over by the first activity.

If the accounts of both the activities are bifurcated, the actual figure of loss can be traced out. We can easily point-out the exact part of defect and take necessary action to improve that particular part only.

Therefore, the researcher's view is that the accounts should be prepared Separately.

5. INTRODUCTION OF COST ACCOUNTING

It is further advisable, on the part of the Mill, to introduce Cost accounting system. It is a wel-coming point that the Mill has appointed Cost Accountant. But so far Costing techniques have not been introduced. The Mill has Blowing Carding, Simplex Spinning, Reeling & Packing departments. The process costing may also be introduced.

So, it is necessary on the part of the Management of the Mill to have a separate 'Costing Department', headed by an experienced and highly qualified Cost Accountant, preferably I.C.W.A.

6. PROPER SELECTION AND TRAINING

"The important aspects of staffing are selection and training of development."⁴

Selection of the man-power is the most important function of every organisation. The mill has selected its man-power from neighbouring villages of its location. The administrative staff is from Bijapur district and neighbouring district. Most of the workers were appointed on the basis of influence of political leaders. This element is observed by the researcher during his study.

TABLE VII : 2 : BASE FOR SELECTION

Question	On Merit	On Influence	On any other basis
How did you get appointment in the mill ?	18	72	Nil

Table VII: 2: reveals that most of the workers, inspite of their longer service in the cadre, have not been promoted. Out of 100 respondents only 7 have been promoted.

The above table shows that workers were appointed by the influence of Local Leader and Board of Directors

⁴ By Rustom. S. Javar " Personnel Management and Industrial Relation in India" Progressive Corporation Private Mahatma Gandhi Road. Bombay.

of the mill. As a result, some workers are arrogant and disloyal to their superiors.

Training is a widely accepted problem-solving device. It is almost traditional in America to believe that if something is good, more of the thing is even better. Hence, we take more vitamin pills to solve personal health problems and more training to solve our man-power problems.

This mill has the provision of training to the productive workers in the factory itself. It has no separate training centre to train administrative and technical staff. The mill has not given importance for training facilities to administrative and technical staff.

TABLE VII : 3 : AMOUNT SPENT ON TRAINING OFFICIALS

Year	Amount
1975	2,350.00
1976	2,350.00
1977	1,445.00
1978	1,400.00
1979	300.00
1980	3,550.00
1981	4,455.00
1982	1,646.00
1983	90.00
1984	5,612.00
1985	15,000.00

The amount spent to train the personnel of the mill is disappointing. Sufficient provisions should be made to train its man-power.

7. ADOPTION OF PROPER AND HEALTHY PROMOTIONAL POLICY (Impartial)

It is observed by the researcher that some workers and administrative staff were promoted on favour and on unhealthy lines. Many workers, even after completing 10 to 15 years, have not been promoted.

TABLE VII: 4 : BASE FOR PROMOTION

(Respondents 100 workers)

Question	Length of Service	Yes	No.
1. Since how many years are you working in the same cadre ?	10 to 12 Years	-	-
2. Did you get promotion		7	93

Working in the same Job for a longer period is an adverse affect on the efficiency of the workers. Disappointment and unhappy elements are very worst, as a result, such worker may not contribute anything towards prosperity of the mill.

So, in order to avoid unhappiness and disappointment, the mill has to adopt proper and impartial promotional policies.

TABLE VII : 5 :

PROVISION OF VEHICLE FOR TRANSPORTATION

Respondents 100 workers

Question	1 to 5 Kms.	3 to 5 Kms.	5 & above Kms.
What is the distance between your house and mill ?	61	33	6

It becomes inconvenient to the workers to attend their duties in time. It is very much necessary to the management to provide a bus to those workers who come from distant places. Though it is a financial burden to the management, it can afford to buy a vehicle (bus) by adopting any one of the following schemes :

- 1) By conducting charity film shows.
- 2) By conducting musical nights and fancy fairs.
- 3) By organising lottery schemes.

The 'capital Expenditure' (for purchasing bus) can be met-out by the above schemes.

The next problem is of revenue expenditure. The estimated revenue expenditure may come to Rs. 5.400.

TABLE VII : 6 : SHOWING THE ESTIMATED MONTHLY REVENUE

EXPENDITURE

Sl. No.	Head of Expenditure	Amount (Rs.)
1.	Driver Salary	1,000.00
2.	<u>Disel and Oil</u>	
	Per day 10 liters.	
	30 days 300 liters	
	300 liters @ Rs. 6/- Rs. 1,800.00	1,800.00
3.	Minor repairs of the Bus	2,000.00
4.	Miscellaneous.	600.00
	Total Rs.	<u>5,400.00</u>

The above expenditure can be managed by charging 50 paise per-head (to & fro). The bus has can have two trips for every shift. If the mill charges 50 paise per worker (to & fro) it will not be a financial burden to the management.

Table VII : 7 : SHOWING THE ESTIMATED REVENUE INCOME

Sr. No.	Particulars	Amount(Rs.)
1.	<u>Collection for trip (To & fro)</u>	
	50 paise per worker per day	
	One worker 50 paise.	
	120 worker $120 \times .50 = 60.00$	60.00
2.	<u>Collection per day (3 trips)</u>	
	per trip Rs. 60/-	
	3 trips Rs. $60 \times 3 = \text{Rs. } 180.00$	180.00
3.	<u>Monthly collection</u>	
	Per day collection Rs. 180.00	
	30 days collection $180 \times 30 = 5,400.$	5,400.00
<hr/>		
	Total monthly Revenue Expenditure	Rs. 5,400.00
	Less: Total monthly Revenue Income	Rs. 5,400.00
		Rs. <u>0,000.00</u>

But the mill has to bear the loss arising out of depreciation. Every year a provision may be made for depreciation and this loss may be transferred to the profit and loss account of the mill.

To avoid the appointment of the conductor, the mill can issue monthly pass to the workers. By providing bus facilities to the workers, both the class of industry i.e. Management and workers are benefited.

The Management can harvest the fruits of this provision as :

- 1) To keep working class on satisfactory lines.
- 2) To avoid delay and other inconveniences of workers.
- 3) To utilise manpower at the maximum level.
- 4) To maintain peace and discipline.

The labourers can attend their work punctually without waste of time and energy. Moreover, the workers will be satisfied with the provision of the bus facilities. Workers will be in better position and may gain the following advantages.

- 1) To attend the work punctually within least time and energy.
- 2) To avoid unproductive waste of energy and enhance efficiency.
- 3) To earn more wages with least waste of efforts.

ONE INDUSTRY ONE UNION

The researcher has found that, at present, the mill has three trade unions, namely :

- 1) Bagalkot Co-operative Spinning Mill Worker's Union.
(400 to 475 workers).
- 2) Megharaj Trade Union (250 to 300 workers).
- 3) Staff Union. (50 to 55 members).

It is observed by the researcher that there are internal disputes and mis-understanding between the Trade Unions. The differences of caste, creed & race are often found amongst the workers. There are many incidents of quarrels and many workers have been seriously injured. They developed strong rivalary feelings.

Another union, namely 'Staff Union' has restricted its activities only to the administrative and technical staff which is not a healthy development. The mill workers have lost their strength of unity.

Another point to be noticed is that ' the Bagalkot Co-operative Spinning Mill workers Union is managed and controlled by a politician. At present, he has not used the strength of workers for his selfish purpose.

But in future, he may misuse the strength and support of workers for his personal political motto.

The researcher proposes the following changes and improvements.

- 1) Abolishing three existing Trade Unions and forming only one Union.

TABLE VII : 8 : ONE INDUSTRY- ONE UNION

Question	Agree OR Yes	Dis-Agree OR No.
One Industry, One Union, Do you agree ?	69	31

- 2) Workers union should be managed and controlled by the workers on democratic lines.
- 3) The mill management should ^{Support} constructive activities of the Union.
- 4) Finally the Trade Union leaders should have broad outlook to understand the problems of the mill. They should work for the overall development of the mill.

REDUCING WORKING HOURS FOR PRODUCTIVE WORKER

The mill can reduce the working hours from 8 hours to 6 hours to the productive workers. This change gives better results to the both workers and the management of the mill.

TABLE VII : 9 : ENHANCEMENT OF EFFICIENCY BY REDUCING THE WORKING HOURS

No. of workers	Shift	Working hours	Efficiency	Working hours	Efficiency
200 workers	Ist	8 hours	50%	6 hours	60%
200 workers	IIInd	8 hours	50%	6 hours	60%
200 workers	IIIrd	8 hours	50%	6 hours	60%
		24 hours	150%	18 hours	180%
200 New workers may be appointed.	IVth	-	-	6 hours	60%
				24 hours	240%

Table VII: 9 reveals the existing and proposed working hours and the assumed efficiency of the workers.

600 Workers are able to complete the work within 8 hours at 50% efficiency. But if there is reduction in the working hours from 8 hours to 6 hours the same work can be done at 60% efficiency. This change gives better results to the mill as well as to the workers in the following manner.

- 1) Reduction in the working hours (2 hours).
- 2) New employment opportunities can be created.
- 3) Total production may be increased.

IMPACT OF BONUS ON THE MINDS OF WORKERS

As per the Government Act, every year, the mill is declaring bonus to its workers. The present policy of bonus is not stimulating workers to work more. The researcher has tried his level best to ascertain the impact of bonus on production by asking questions to the workers.

TABLE VII : 10 : IMPACT OF BONUS ON THE MINDS OF WORKERS

Respondents 100 workers

Question	To work more	To remain absent	To spend money
what feelings do you get on getting bonus ?	94	6	-

Table VII-10 shows the impact of bonus on the minds of the workers. 94 workers express their views that then feel to work more on getting bonus and six workers feel that they should remain absent.

But the researcher feels that most of the workers have concealed their real feelings. Practically, the workers do not work more on getting bonus.

TABLE VII : 11 : BONUS AND PRODUCTION

Year	Bonus lakhs Rs.	Increase in amount of bonus	Production	Increase in production
1978	1,16,570	-	4.60	-
1979	1,53,505	+ 27,075	4.72	+ 0.12
1980	1,22,996	- 31,509	4.63	- 0.11
1981	2,59,450	+ 1,37,454	5.97	+ 1.34
1982	2,46,025	- 13,425	3.74	- 2.23
1983	2,73,927	+ 27,902	5.42	+ 1.68
1984	2,00,000	(Estimated)		

Table VII-11 reveals that though the amount of bonus is being enhanced every year, the quantity of production is not proportionately enhanced. For example in the year 1979 the amount of bonus was enhanced from Rs. 1,16,570 to Rs. 1,53,505. But the quantity of production was enhanced from 4.60 lakhs of Kgs. to 4.72 lakhs of Kgs only.

The researcher is strongly proposing to change the present bonus policy. The main outlines of new bonus policy are given below :

- 1) The bonus should be based on production.
- 2) The payment of bonus should be in the form of kindness and not the inform of cash.
- 3) The mill can introduce 'Own your house' scheme under this scheme, free plots may be allotted, and interest free loans may be advanced to the permanent employess, for the construction of houses.
- 4) T.V.Set, Record Player, Light vehicles may be give to the officers and to other staff of the mill.
(with the total amount of bonus of 2 to 3 years).
- 5) Watches & Cycles, may be given to the workers with the bonus amount.
- 6) Gifts and awards may be given to the honest and efficient workers.

NEED OF INDEPENDENT AND WELL-EQUIPPED HOSPITAL

It is necessary that the mill should have an independent and well-equipped hospital within its premises. The mill workers are covered under E.S.I. Scheme. The E.S.I. hospital is situated in the city, about 9 Kms. away from the mill. It becomes very much inconvenient to the employees to bring the injured employees to the E.S.I. Hospital. Moreover, none of the workers is satisfied with the treatment of the E.S.I. Hospital.

TABLE VII : 12: NEED OF INDEPENDENT AND WELL-EQUIPPED HOSPITAL

Respondents 100 workers

Question	Satisfied	Unsatisfied
Are you satisfied with the services of E.S.I. ?	8	92

Table VII- 12 shows that most of the workers are not satisfied with the service of E.S.I. For instance, 92 workers express their view that they are not satisfied and 8 workers express their views that they are satisfied with the service of E.S.I.

So, it is an urgent need to be fulfilled by the mill to construct well-equipped hospital in its premises and to appointed highly qualified doctors. There is a saying that 'man may forgive, machines never'. Accidents are bound to take place in factories.

PREPARING PLAN ON HUMAN RESOURCES :

The mill should prepare a proper and scientific plan for development of human resources, for the period of 10 to 15 years. Human resources planning is like a double edged weapon. It leads to maximum utilisation of human resources, reduces excessive labour turnover and high absenteeism, improves productivity and aids in achieving the objectives of an organisations.

SETTING BEHAVIOURAL SCIENCE CELL :

It is good on the part of the mill management to set up " behavioural science cell" with following objectives.

- 1) To carry-out research into behavioural problems like absenteeism, accidents, mental health etc.
- 2) To carry-out soci-psychological surveys for the determination of community needs, attitudes and opinions of the people. This information will be helpful to the management for the fixation of pay, promotion and incentive schemes.
- 3) To develop psychological testing tool for selection of man-power.

C O N C L U S I O N

To-day on the Industrial Map of the world, U.S.A. has gained the highest position. A noted French Writer, in his book ' The American Challenge ' has mentioned that the United States rose to the rank of the first rate power because of its investment in the human resources. The U.S.A. concentrated on effective utilisation of man-power by adopting an effective and scientific planning on man-power. No country can dream of its economic prosperity without maximum utilisation of human resources.

The urgent need of the day is to utilise the human resources in Indian Industries more particularly in Co-operative sector. Unfortunately, the working and progress of Co-operative sector in Karnataka is disappointing. The Bagalkot Co-operative Spinning Mill has also followed the same path.

The researcher has come to a conclusion that there should be a change in the outlook and working of the Co-operative Societies of a whole some important suggestions are as under :

- 1) To adopt commercial outlook in every activity of the mill.
- 2) To adopt a perfect proper and scientific planning on human resources.
- 3) To avoid political interference.
- 4) To introduce effective incentive schemes to its workers.
- 5) To avoid the mis-use of funds.
- 6) To introduce high managerial skill, technical-know-how and up-to-date machines.
- 7) Proper check-up and control of accounts.

If the management of the mill considers the above suggestions of the researcher, it will be a very good reward for his efforts and immense benefit to the organisation.

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