



: CHAPTER NO. 5 :

CONCLUSIONS AND REMEDIAL MEASURES :

This chapter deals with the conclusions and remedial measures suggested for the efficient performance of the engineering units in Kolhapur city.

1) Table No. 3 indicate that majority of the units are applying arbitrary methods for recruiting manpower similarly 24 units as per table No. 4 are finding difficulty at the stage of selection method. With this inferences we conclude that these units have not sufficient knowledge about manpower, planning and recruitment. This fact was further re-inforced by personal interviews and informal discussions. In these units it has also been observed that there is lack of adequate administrative staff.

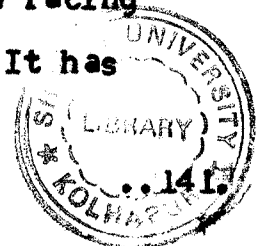
Taking into consideration the above facts it would be recommended that these units should first of all appoint a well qualified management personnel who can take care of the various personal activities. Similarly to create an awareness about the various scientific manpower planning and recruitment methods among the various entrepreneurs joint efforts should be made to tackle

this problem. In this connection the District Industries Centre (DIC), The Small Industries Service Institute (SISI), Kolhapur Engineering Association should organise short term training programmes or workshops, where the exposure should be given to the delegates regarding the various scientific methods of manpower planning and recruitment.

2) As it has been cited by 54% of the units regarding the scarcity of the skilled workers as a matter of fact the skilled workers do exist in Kolhapur but they are more inclined towards those organisations where they find more job security and sound position of the organisation. Due to this attitude of the skilled personnel an artificial scarcity has been created.

The employees always desire security for their job. Keeping in view the above facts the employees should try to create a congenial working atmosphere which can be made possible by providing better wages and salaries, motivating the workers by appreciating good and efficient work and similarly the employees should be taken into confidence and make them aware of the day to day developments by which a sense of belonging and empathy would develop among the employees which would lead to job security and opportunities for improvement among the employees.

3) According to table No. 8, 27 units are facing the problem of workers participation in training. It has



been brought to the notice by the employers that the ITI certificate holders do not involve themselves in training programme whole heartedly as they are under the impression that they have already learnt those things during their ITI course.

So as to make the on the job training successful it is necessary to give the clear instructions to the trainees that they would be evaluated during the training duration. Those who successfully complete this training programme to the satisfaction of the management will be observed on permanent basis. To make on the job training more effective these organisations should give additional incentives apart from the stipend for the better performance shown by the trainees during their training course.

4) Table No. 11 shows that 5 managers/owners are of the opinion that they do not get the co-operation from workers for implementing the industrial acts. In those units workers do not make use of the safety equipments provided to them by management. Regarding those units the managers have to insist the workers to use the safety equipments.

In the same table we see that 30 managers/owners opined the impracticability of law is the great problem to implement the various industrial acts. No doubt, the Industrial Acts are numerous. Due to their

large numbers, various clauses and their amendments, it is impossible to implement all of them. Some entrepreneurs do not know all these acts. It is essential to study all these acts by any entrepreneur. Some entrepreneurs are of the opinion that the industrial acts should be reduced. But it is impossible because day by day according to new experiences, the acts are increasing which are enforced.

It is essential that the restrictions on the small and medium scale units should be minimized. According to their capital and their investment the expectations about the working conditions, working space, production floor, parking, rest rooms, machines, light, water and welfare of the workers should be kept by the Government authorities and the acts should be amended accordingly.

5) It was observed that 52% i.e. 39 units are not planning. Some managers/entrepreneurs said that they prepare tentative financial plan informally based on their judgement and experience and not formal one. It is the serious problem. Because each and every business activity must have some formal planning.

It may be suggested the production planning should be done based on the forecast irrespective of the size of the production.

6) During the survey it is indicated that, out of those units which are preparing the various plans 36 units are specifically finding the difficulty while implementing their financial plan, for instance, the objectives and the targets are not at all achieved as decided by in this financial plan which is mainly due to a constant increase in the prices of the raw material and various tools and equipments.

To minimize this problem and to make the financial plan more efficient, while preparing financial plan some flexibility should maintain and at the same time provision should be made in the plans to meet such type of uncertainties.

7) According to table No. 18, 69 units are facing various types of difficulties in securing loans from banks. From the informal discussion we conclude that the banks are working as "Fair weather umbrellas", they are offering the loans to healthy units or the units in good condition. Bank officers do not offer the loans quickly at the time of urgent need on the contrary the bank officers take a very long time by making lot of enquiries and asking for too many documents which might not be possible to produce these documents in a day or two. By the time the bank authorities are satisfied with the information furnished and loans disbursed the market is lost.

It may be recommended that the banks should study the position of the business, the loyalty and confidence of the entrepreneur and try to offer the loans as early as possible.

The survey has also indicated that the loan sanctioning authorities of the various banks give a very harsh treatment to the entrepreneurs approaching for the loans. The treatment is not only harsh and humiliating but they also discharge instead of encouraging and sanctioning the loan. Having asked more details sufficient information is not at all provided by these authorities. In this connection the loan sanctioning authority should be given proper training regarding the public relations.

8) According to table No. 25 majority of the units are facing the problem of raw material. Rates of raw material is changing frequently. Many a times there is shortage of raw material. Foundry units do not get sufficient pig iron. Sometimes the quality of raw material is bad and by which the rejection rate increases and production gets great set back. Government supply of raw material is not sufficient to these engineering units, so they purchase more required raw material from black market with high cost. Government purchases the raw material from large units (i.e. Tata, Birla etc.). Many times the quality of this raw material is not proper and the Government officers insist to purchase it.

It can be suggested that for solving the raw material problem the same type of engineering units should form a team/group and gather their demands, then purchase the material collectively. All of them must approach MSSIDC, MMTC and DIC collectively. They can take the help of Kolhapur Engineering Association. Due to collective arrangement all of them can get raw material in time, with fair price and of good quality. There must be control on black marketing of scarce raw material. The Association can discuss the problem with Regional Raw Material Authority Committee and Government Authorities.

9) According to the table No. 27 the opportunities to acquire more technical knowledge/new skill of production is sufficient or non in more than 50% units. It may be concluded that majority entrepreneurs do not think about giving more technical knowledge to the workers or to give more opportunities to develop them. Some entrepreneurs are of the opinion that the employees will leave the organisation after getting more knowledge/technical skill than they possess.

It is suggested that the entrepreneurs should change their attitude about the workers. The workers work with interest if they have the opportunity to develop. If they do not have such opportunity their work becomes



routine and monotonous. The owners/managers have to give more opportunities to develop the skill and to get new knowledge to the workers. Due to this the quality and quantity of the production will affect positively. Similarly congenial organisational climate should be created by making the work place a pleasant one. To control the problem or the fear of the worker leaving the organisation after getting more knowledge/technical skill about the work they should be remunerated properly and kept satisfied.

10) It has also been observed in 50% of the units, lack of production control activities which is due to demand fluctuation and absenteeism and lack of market planning.

While competition becoming very tough the engineering units at Kolhapur should realize the void in planning relevant to production and marketing and accordingly provide for such exercises while taking investment decisions in future. In this regard more attention should be given, while planning to segments of business which offer more production gain rather than those where the production potential is marginal. For affecting a long term improvement a close relationship of the planning process should be employed in developing, operating programmes with company strategies extending

into marketing is essential, taking into consideration the objectives prevailing environment and the available resources. They should lay down a strategy to get advanced orders, booked with stable market which will provide the right base for decisions in favour of standardization, product batching and application of other innovative features.

11) According to table No. 37, 51 units facing the problem of extended credit facility. Slow recovery is the unique problem. Large enterprises makes the orders with the condition to pay after 30 or 60 days but they do not fulfill their commitment.

For getting recovery the entrepreneurs keep persistent contact with the units to whom they have given credit. After fulfilling the orders, constant follow up should be done so as to recover the credit in time without further delay than the time agreed upon.

12) In the survey it is observed that 43 managers/entrepreneurs are of the opinion that they do not get proper co-operation from Government authorities. Some of the owners are of the opinion that Govt. officers suppose them as the manipulators. Sometimes for such situation the entrepreneurs are also responsible, because they fail to

keep the record and submit the documents required by the Govt. authorities regarding production, profit, wealth etc. Some entrepreneurs are of the opinion that the Govt. does not appoint any representative of the Small Scale Industries on any committee, which is basically appointed for considering the problems of raw material, loan schemes, production activities, export policy, marketing of finished product etc.

In this connection the Govt. authorities should try to develop an effective communication system with the engineering industry of Kolhapur. Sufficient information about various documents required, the system of preparation and maintenance, various rules and regulations regarding production, profits, changing policies etc. should be communicated from time to time. Another important aspect is that whenever the Govt. thinks of appointing any committee for dealing with any problem, at least one representative of the SSI should be taken into consideration.

13) It is observed that in 95 % units advancement and promotions are based on merit. This merit is given in the form of increased salary rather than giving any designation.

But some employees are of the opinion that they are more satisfied with the designation. The designation is one of the tool for motivating the workers. So the

entrepreneurs can give promotions by giving some new title to their present designation with an increment in salary.

14) In conclusion on the basis of the findings the Kolhapur Engineering units need some constructive changes to improve their administration and management so as to achieve the objectives, the above mentioned suggestions should be taken into consideration emphasising on the need for a change in the attitude of the workers and the managers. The changing requirements and environments in the market calls for a continuous survey to study the customers' changing needs and wants. Simultaneously the entrepreneurs should be adaptive to this dynamic situation.