CHAPTER – VI

FINDINGS, SUGGESTIONS AND CONCLUSION

6.1 INTRODUCTION

This study is an attempt to measure the productivity in N.T.C mills in Tamilnadu. It is very useful in understanding key issues associated with productivity and various techniques to improve productivity. The approach to the study is both descriptive and analytical. In this study both primary and secondary data were used and they were collected from the published sources of study unit. The study proves to be informative, fruitful and quite interesting.

This chapter highlights the summary of the findings of the study under review, the various problems faced by the textile mill and the suggestions for improving the productivity of the textile mill.

6.2 FINDINGS

1. Finished products are manufactured with raw material. In textile mills cotton is a raw material. And yarn is a finished product. Without the continuous supply of materials an uninterrupted production cannot be carried out which in turn affect productivity. Comparing 2007 and 2008 the consumption of raw material; was (144078887) and (1469373525) is almost equal. But when the ratios are looked upon in 2008 it shows (0.02) which is low. It may be due to inefficient use of the resource material. But in 2014 the material consumption has been increased correspondingly. The output was not increased rather decreased. It leads to in efficient use of resource material.

2. The value 0.157 given under the column R is multiple correlation coefficient. These three variables are correlated significantly. It gives the results of ANOVA. Since the P-value given under significance column is 0.737 which is > 0.01. This tells that variance contribute significantly with output. Co-efficient: These values are needed to formulate regression equation. The value under B column against the ‘a’ value Y- intercept in the
regression equation and values against raw materials are the values in the multiple regression equation.

3. The second important factor of productivity is labour. Labour efficiency can be increased by continuous training and assessment. F.W. Taylor advocated time rate system and piece rate system. Nearly 90% of the labours are paid through time rate system. In the year 2014 the labour expenditure is very high (99640186) equally there is no corresponding increase in output. Which may be due to inefficient utilization of labour? But in the year 2008 with a minimum labour expenditure of (52123691) the maximum output reached and this may be due to the fact that there is efficient utilization of labour.

4. Model Summary: The value 0.251 given under the column R is multiple correlation coefficient. These three variables are correlated significantly. It gives the results of ANOVA. Since the P-value given under significance column is 0.05 which is >0.01, this tells that variance contribute significantly with output. Co-efficient: These values are needed to formulate regression equation. The value under B column against the 'a' value Y-intercept in the regression equation and values against raw materials are the values in the multiple regression equation.

5. Depreciation is provided on any one of the method on the fixed assets due to wear and obsolescence. The machines used after several years will become scrap. To replace with new machines depreciation is provided for every year. In 2003 the amount of depreciation allocated is 828560 and the ratio recorded a high of 45247. It resulted in a significant growth in output 37489953. In 2014 the depreciation provided for is 41296877 which is also high. But it does not reflect in output which has been reduced to 30955129.

6. The value 0.362 given under the column R is multiple correlation coefficient. These three variables are correlated significantly. It gives the results of ANOVA. Since the P-value given under significance column is 0.425 which is >0.01, this tells that variance
contribute significantly with output. Coefficient: These values are needed to formulate regression equation. The value under B column against the 'a' value Y-intercept in the regression equation and values against raw materials are the values in the multiple regression equation.

7. The profitability of the concern is very much affected by overheads. It is a variable cost which varies with the volume of production during the year 2014, the administration and selling overhead (ASOH) is very high of 1469379304 which resulted a low ratio of 0.021. When the overhead expenditure is decreased it will increase profitability. Finance is life blood of business. One of the twin objectives of the financial management is profit maximization. Launching of new venture, diversification will always depend upon profitability. Similarly in the year 2006 the ratio recorded a high of 0.559 this is because that the overhead expenditure (ASOH) has been reduced to great extent.

8. The value 0.078 given under the column R is multiple correlation coefficient. These three variables are correlated significantly. It gives the results of ANOVA. Since the P-value given under significance column is 0.868 which is >0.01. This tells that variance contribute significantly with output. Coefficient: These values are needed to formulate regression equation. The value under B column against the 'a' value Y-intercept in the regression equation and values against raw materials are the values in the multiple regression equation.
9. Wages are paid to the labour for the work done. There is a misconception in the minds of the labour that they are not suitably paid and there is wage difference for the same work in the same industry. This is inevitable because it depends upon the company, growth etc. In the year 2014 wage expenditure was high as (11,29,662) therefore the ratio has come down to 27.402. Whereas in 2013 the ratio is all high as 637012. Which means the wage burden has been drastically reduced to (53,014)? It amounts efficient utilization of labour resource.

10. The value 0.452 given under the column R is multiple correlation coefficient. These three variables are correlated significantly. It gives the results of ANOVA. Since the P- value given under significance column is 0.309 which is >0.01, this tells that variance contribute significantly with output. Co- efficient: These values are needed to formulate regression equation. The value under B column against the 'a' value Y- intercept in the regression equation and values against raw materials are the values in the multiple regression equation.

11. Fixed capital is required to procure fixed assets and working capital is also very important to run the business. Huge amount of capital is invested in fixed assets. Often companies are struggling hard to run the business. This may be due to in sufficiency of working capital. An uninterrupted production can be carried over only when there is adequate working capital. In the year 2008 the ratio is 47.10 which are high. This may be because that the working capital (662965) was adequate on the contrary but in the year 2010 the ratio is 0.776 but the working capital compared to the production (31,070,355) is very high of (40032455). It means the working capital in that year was inadequate.
12. The value 0.663 given under the column R is multiple correlation coefficient. These three variables are correlated significantly. It gives the results of ANOVA. Since the P-value given under significance column is 0.104 which is >0.01, this tells that variance contribute significantly with output. Co-efficient: These values are needed to formulate regression equation. The value under B column against the 'a' value Y- intercept in the regression equation and values against raw materials are the values in the multiple regression equation.

13. In any production activity wastage is inevitable which scrap becomes. When the stock of scrap is more in a company it amounts to increased cost of production. There is an inefficient utilization of material. Moreover there is capital loss. In 2009 the ratio is 4.920. it shows that the stock of scrap is more which is 5074462. Similarly in 2012 the ratio is all the high of 832.47 which shows there is good fall in the stock of scrap 32081. As and when the stock of scrap is decreased to that extent the ratio will decrease.

14. The value 0.430 given under the column R is multiple correlation coefficient. These three variables are correlated significantly. it gives the results of ANOVA. Since the P-value given under significance column is 0.335 which is >0.01. This tells that variance contribute significantly with output. Co-efficient: These values are needed to formulate regression equation. The value under B column against the 'a' value Y- intercept in the regression equation and values against raw materials are the values in the multiple regression equation.

15. Power deficit is a general phenomenon. Tamilnadu is a power shortage state. Power crisis is an issue which remains unsolved; generally power is generated by hydro, thermal, solar, atomic sources. The total power requirement in Japan is met out by atomic source. In India Gujarat is a state where power is generated in surplus. Sufficient power supply is indispensable for any manufacturing industry Non availability of power is quite common
nowadays. During 2014 the ratio is 13.57 which are very low. It means the expenditure incurred for non availability of power is 2,28,0880 which is all the high. During the year 2013 there is a surge of the ratio to 73.9. This may be due to the fact that the expenditure incurred for non availability of power is all the low of 4,56,960. Textile machineries are mostly power driven and non availability of power will lower down the productivity.

16. Labour management is an important affair and there must be always good labour relations. Labour demand should be fulfilled then and there and a conducive and cordial atmosphere should be maintained. Managing labour is a daunting task which requires careful handling of labour force. When their demands are not fulfilled, they resort to strike and hartal. During 2014 an account of strike the loss of utilization is (2360640) which is very high. Correspondingly the ratio has reduced to 1031 which is very low. During 2013 there is an upsurge in the ratio which is 147083. It means the loss of utilisation. Due to strike it was low i.e. (2,28,480) therefore the strike and hartal hinders the productivity.

17. The value 0.643 given under the column R is multiple correlation coefficient. These three variables are correlated significantly. It gives the results of ANOVA. Since the P- value given under significance column is 0.033 which is >0.01. This tells that variance contribute significantly with output. Co- efficient: These values are needed to formulate regression equation. The value under B column against the 'a' value Y- intercept in the regression equation and values against raw materials are the values in the multiple regression equation.
18. The analysis of data reveals that during 2007 the productivity ratio has risen. This is due to decrease in power cut failure. During the year 2009, the power cut failure has risen to an extent that the productivity has fallen and during 2011 again power cut failure increased a recoded high to an extent output did not rise. The analysis of ratio states that there is decline in productivity an account of inefficient use of resource power which is very vital for the productivity increase.

19. The value 0.049 given under the column R is multiple correlation coefficients. These three variables are correlated significantly. It gives the results of ANOVA. Since the P-value given under significance column is 0.886 which is >0.01, this tells that variance contribute significantly with output. Co-efficient. These values are needed to formulate regression equation. The value under B column against the 'a' value Y- intercept in the regression equation and values against raw materials are the values in the multiple regression equation.

20. Table shows that art during 2004 the labour absenteeism is 10.07 ratios which resulted in decrease in output. But in 2005 to 2009 there is no labour absenteeism to that extent the output has risen which resulted in increase in labour productivity. In the year 2012 the ratio is a low i.e 4.92. Due to more labour absenteeism the productivity has fallen. It reflected in output also. During 2013 and 2014 there is almost a steady ratio. Because that the labour absenteeism is similar in two years.

21. Generally labours are required in manufacturing industries in three categories. Skilled, semiskilled, and unskilled. While unskilled labour force is available in plenty, there is always scarcity of skilled labour which remains an unfulfilled one in all manufacturing industries. During the year 2008 and 2009, there was a high ratio (193.3) and (208.3) because of the want of hands. When there was a further rise in the want of hands the
output has been reduced and the ratio also has fallen from 37072 to 27014. When want of hands is fulfilled the ratio will increase and the productivity will also increase.

22. The value 0.133 given under the column R is multiple correlation coefficient. These three variables are correlated significantly. It gives the results of ANOVA. Since the P-value given under significance column is 0.697 which is >0.01. This tells that variance contribute significantly with output. Co-efficient: These values are needed to formulate regression equation. The value under B column against the ‘a’ value Y-intercept in the regression equation and values against raw materials are the values in the multiple regression equation.

23. After the industrial Revolution in Great Britain. There was automation. Capital intensive industries came into existence. Labour intensive industries are gradually switched over to capital intensive. New big generators and machineries were imported to start industries. Due to continuous usage, machine became repair and the problem of maintenance gained importance. So a sizable portion of the amount for machine repair is to be allocated. In the year 2006 the expenditure of machine repair was (29907) being very low, the ratio recorded a high of 1274.99 therefore there was tremendous growth in the output (38129560). In the year 2012 it was (274201) but output does not show abundant growth. It was (26706669)

24. The value 0.103 given under the column R is multiple correlation coefficient. These three variables are correlated significantly. It gives the results of ANOVA. Since the P-value given under significance column is 0.763 which is >0.01. This tells that variance contribute significantly with output. Co-efficient: These values are needed to formulate regression equation. The value under B column against the ‘a’ value Y-intercept in the regression equation and values against raw materials are the values in the multiple regression equation.
25. Electrical repair is a common phenomenon. The usage of domestic appliance requires repairing now and then. Similarly high power transmitters and high voltage circuit are used in textiles mills and a no. of machineries is driven every day. In the year 2006 the expenditure on electrical repair was (30172) which is meager. But it showed a tremendous growth in output and the ratio 1263.7 which was also highly. But in the year 2010, the expenditure incurred on electrical repair was (769469) which showed a low ratio of (40.3) as electrical repair. The output also does not show an increase.

26. The value 0.070 given under the column R is multiple correlation coefficient. These three variables are correlated significantly. It gives the results of ANOVA. Since the P- value given under significance column is 0.837 which is >0.01. This tells that variance contribute significantly with output. Co-efficient: These values are needed to formulate regression equation. The value under B column against the 'a' value Y- intercept in the regression equation and values against raw materials are the values in the multiple regression equation.

27. Any machine requires overhaul due to the continuous usage. In 2014 the expenditure incurred for compressor repair was (16,019) being low. But showed an increase in output. (30955129) the ratio also high as 1932.4 in the year 2010 the compressor repair has increased 5 times more than 2014(781913) but output show a decrease (31070355). The ratio also low (39.7).

28. The value 0.020 given under the column R is multiple correlation coefficient. These three variables are correlated significantly. It gives the results of ANOVA. Since the P- value given under significance column is 0.963 which is >0.01. This tells that variance contribute significantly with output. Co-efficient: These values are needed to formulate regression equation . The value under B column against the 'a' value Y- intercept in the
regression equation and values against raw materials are the values in the multiple regression equation.

29. The value 0.375 given under the column R is multiple correlation coefficient. These three variables are correlated significantly. It gives the results of ANOVA. Since the P-value given under significance column is 0.464 which is >0.01. This tells that variance contribute significantly with output. Co-efficient: These values are needed to formulate regression equation. The value under B column against the ‘a’ value Y-intercept in the regression equation and values against raw materials are the values in the multiple regression equation.

30. The value 0.911 given under the column R is multiple correlation coefficient. These three variables are correlated significantly. It gives the results of ANOVA. Since the P-value given under significance column is 0.089 which is >0.01. This tells that variance contribute significantly with output. Co-efficient: These values are needed to formulate regression equation. The value under B column against the ‘a’ value Y-intercept in the regression equation and values against raw materials are the values in the multiple regression equation.

31. The value 0.173 given under the column R is multiple correlation coefficient. These three variables are correlated significantly. It gives the results of ANOVA. Since the P-value given under significance column is 0.683 which is >0.01. This tells that variance contribute significantly with output. Co-efficient: These values are needed to formulate regression equation. The value under B column against the ‘a’ value Y-intercept in the regression equation and values against raw materials are the values in the multiple regression equation.
32. The value 0.216 given under the column R is multiple correlation coefficient. These three variables are correlated significantly. It gives the results of ANOVA. Since the P-value given under significance column is 0.524 which is >0.01. This tells that variance contribute significantly with output. Co-efficient: These values are needed to formulate regression equation. The value under B column against the 'a' value Y-intercept in the regression equation and values against raw materials are the values in the multiple regression equation.

33. The value 0.239 given under the column R is multiple correlation coefficient. These three variables are correlated significantly. It gives the results of ANOVA. Since the P-value given under significance column is 0.480 which is >0.01. This tells that variance contribute significantly with output. Co-efficient: These values are needed to formulate regression equation. The value under B column against the 'a' value Y-intercept in the regression equation and values against raw materials are the values in the multiple regression equation.

34. Raw material is the basic ingredient for any finished product. Similarly cotton is the basic raw material to produce yarn. It is an agricultural crop and cash crop. Cotton is cultivated in large areas. The supply of cotton to the textile mills is adequate in case of deficit it is even imported to meet the demand. As the trend values show an upward trend, it leads to an increase in productivity.

35. Labour is the second important resource. There is always scarcity of labour. The labour supply should be abundant. Then only there will be uninterrupted production. Effective and efficient utilization of labour will be helpful to achieve the production target and revision of target is easily possible. As the trend values show an increasing trend it results in productivity increase.
36. Depreciation is provided in fixed assets like machinery without which a textile mill cannot run. After a particular no of years are over the old machineries should be replaced by new ones. Then only depreciation can be brought to minimum otherwise it will affect productivity and profitability. As the trend values showing an upward trend the old machineries are more. Therefore it lowers down the productivity.

37. Variable cost varies with the volume of production but the overheads expenditure increases the profit will decrease. The company cannot go for modernization. So productivity will decrease. As the trend values show a decreasing trend it is a good sign of keeping the overheads under control. Therefore it increases productivity.

38. Wages are paid to the workers on the basis of time rate system and piece rate system. In textile mills casual labours are used more on daily basis in various departments. When there is deficit in the labor supply productivity is affected as the trend values show a declining trend it leads to ineffective and inefficient use of the resource labour. Therefore the productivity is declined.

39. It is indispensable to run the company. For day to day running of the company working capital is required when a huge amount is invested in fixed assets. There will be deficit in the working capital. As the trend values shows a declining trend, there is disruption in the production and therefore it affects productivity.

40. In any production process there is a normal wastage and due to wear and tear and obsolescence usage of old machineries, scrap is increasing. It lowers the production though the trend value show an upward trend it means scrap is increasing. Therefore it affects productivity.
41. Labour is the important resource in all labour intensive industries. Strike and Hartal is common nowadays. When the needs and aspirations of the labour are not fulfilled, there is loss in the utilization of labour. labour productivity is very important . As the trend values are showing an upward trend, strike and Hartal affects the production activity. Which in turn reduce the labour productivity.

42. Tamilnadu is facing power shortage problem. So often there is powercut which will disrupt the production activity. As the trend values show an upward trend, there is no possibility of continuity of production. Hence it decreases the productivity.

43. Labour absenteeism is a regular problem. Which requires serious consideration? Labour is an important source in the productivity. Labour absenteeism affects labour productivity. Though the trend values show an upward trend it leads to low productivity.

44. Availability of right man for right job is a problem. Want of hands are rising due to the deficit of suitable want of hands. Although the trend value is showing an upward trend, want of hands affect labour productivity. So productivity is declined.

45. Two types of count of yarn are produced in the mills. Depending on the demand in the market the count is changed. As it is changed, there is time delay in resuming production. Therefore it affects productivity. As the trend value shows a negative trend, productivity is declined.

46. Cone in the cone winding department and bobbins in the spinning department are sometimes empty. Shortage will take place. Hence production activities cannot be carried over. There will be interruption in the production process. So the productivity is affected. But the trend values are showing a downward trend empty shortage problem was very well under control. Therefore productivity is increased.

47. Cotton waste is deposited on the machine while production is carried over. So machine cleaning is very important to ensure the continuous production. When machine is cleaned
productivity is affected. Though the trend value shows an upward trend, because of the production is stopped productivity is declined.

48. Due to wear and tear and obsolescence and continuous use, machines used for production activities are replaced. As the trend values shows a decreasing trend, it means productivity is increased. When there are more repairs, it affects productivity.

49. In any manufacturing industry especially in the textile mills, most of the machineries are power driven. Electrical repair is quite common due to the unforeseen exigencies. Though the trend value shows an increasing trend electrical repair affects productivity since it affects production activity.

50. Most of the machineries are power driven compressor is very important to supply air pressure when it becomes repaired it affects the production which in turn affects productivity also. As the trend value is showing a downward trend. It is a good sign of increasing productivity. Because the repair of compressor is reduced it facilitates uninterrupted production.

51. On account of Government holiday machine start may be delayed. More over due to bobbin shortage pump repair, machine start will be delayed. Therefore trend value is showing an increase in trend. But it amounts to decline in productivity.

52. As there is lot of cotton dust is scattered in and around the roof, roof cleaning should be made. Until the roof cleaning is over there will be late start in the production. So it affects productivity. Though the trend value is showing an upward trend, late start hinders productivity.
Power is very important resources in any manufacturing industry. As most of the machineries are power driven, power is that much of important to any production sector. Due to power crisis in Tamilnadu the power shortage is a common affair. So to meet out the power requirement, generators are purchased to supply power. Generator is also subject to repair. So it affects production, though the trend values showing a rising trend it affect productivity.

FACTORS AFFECTING PRODUTIVITY

There is quite variety of factors which can affect productivity from both angles of positively and negatively. These include:

1. Capital investments in production
2. Capital investments in technology
3. Capital investments in equipment
4. Economies of scale
5. Workface knowledge and skill resulting from training and experience
6. Technological changes
7. Work methods
8. Procedures
9. Systems
10. Quality of products
11. Quality of processes
12. Quality of management
13. Legislative and regulatory environment
14. General levels of education
15. Social environment
16. Geographic factors
The first 12 factors are highly controllable at the company of project level. Number 13 and 14 are marginally controllable at best. Numbers 15 and 16 controllable only at the national level, And 17 is uncontrollable.

6.3 SUGGESTIONS

The following aspects are to be examined to improve productivity:

1. Design
2. Plant and Machinery
3. Labour Efficiency
4. Material Performance
5. Machine Performance and
6. Good Management

The determination of when productivity measures are appropriate performance measures depends on two criteria. The first is the independence of the transformation process from other processes within the organization. Second is the correspondence between the inputs and outputs in the productivity measurement process.

Managers are also concerned with how productivity measures relate to competitiveness. If two firms have the same level of output, but one requires less input thanks to a higher level of productivity, that firm will be able to charge a lower price and increase its market share or charge the same price as the competitor and enjoy a larger profit margin.
Within a time period, productivity measures can be used to compare the firms’ performance against industry-wide data, compare its performance with similar firms and competitors, compare performance among different departments within the firm, or compare the performance of the firm or individual departments within the firm with the measures obtained at an earlier time (i.e., is performance improving or decreasing over time).

A firm or department may undertake a number of key steps toward improving productivity. William J. Stevenson (1999) lists these steps to productivity improvement:

- Develop productivity measures for all operations; measurement is the first step in managing and controlling an organization.
- Look at the system as a whole in deciding which operations are most critical, it is overall productivity that is important.
- Develop methods for achieving productivity improvement, such as soliciting ideas from workers (perhaps organizing teams of workers, engineers, and managers), studying how other firms have increased productivity, and reexamining the way work is done.
- Establish reasonable goals for improvement.
- Make it clear that management supports and encourages productivity improvement.
  Consider incentives to reward workers for contributions.
- Measure improvements and publicize them.
- Don’t confuse productivity with efficiency. Efficiency is a narrower concept that pertains to getting the most out of a given set of resources; productivity is a broader concept that pertains to use of overall resources.
IMPROVEMENT OF PRODUCTIVITY

Production planning and control (PPC) inventory control, cost control, budgetary control, market research, operations research preventive maintenance, inter firm comparison. Organization and methods and good management all these aim at improvement of productivity. The following aspects are to be examined for improving the performance of each element of production in order to ensure that productivity is improved.

1. Design

The design should be aimed at the production by optimum quality at minimum cost. In the case of construction projects, faulty designs lead to waste, bottle necks increase in cost and low productivity.

2. Plant and Machinery

They should be neither too small nor too large of heavy plant and machinery. The optimum nature and size of plant and machinery is to be decided so that high productivity is achieved. Further, the economics of work by manual labour is machines should also to be considered.

3. Labour Efficiency

Labour is the most important factor affecting productivity and hence the following may be looked into for improving labour productivity.

a) Placement of right man on the right job

b) Work study, fixation of rates and incentive and schemes for the purpose of payment of incentive bonus.

c) Production planning and control in order to ensure steady flow of raw materials, proper maintenance of machines and better working conditions.

d) Simplification and Standardization of work.

e) Avoidance of Labour Storage or Excess of Labour.
4. Material Performance

Material productivity may be increased by

a) Value analysis

b) Suitable designing with the intension of minimum consumption of material.

c) Preparation of standard bill of materials so that excessive use of materials is prevented.

   The bill of materials should indicate the specified units of the various raw materials required for the manufacture of product.

d) Purchase of right materials at the right time and at the right prices from the right source.

e) Improving the quality of materials

f) Removing defects in machines

g) Skilled labour is required so that defective work, scrap, wastage and spoilage are reduced.

h) Efficient storage of materials.

i) Finally efficient handling of materials.

5. Machine Performance

Machine productivity may be increased by

a) Optimum utilization of machine time.

b) Proper maintenance including preventive maintenance, routine maintenance and major overhauls whenever required according to the maintenance schedule.

c) Efficient production planning and control, scheduling and work loading to avoid bottle necks and idle time of machine as well as manual labour.

d) Employment of skilled and efficient operatives.

e) Proper maintenance of machine tools.
6. **Organisation and Production Control**

a) Proper responsibility accounting.

b) Simplification, standardization and specialization in product lines.

c) Application of work study techniques.

d) Introduction of the system of production, planning and control (PPC).

e) Integration of the functions of various departments.

f) A proper system of quality control.

g) An efficient system of budgeting, standard costing, cost control, cost reporting and budgetary control.

h) An efficient system of management information system, so that corrective action is taken on the responsible executives in respect of the controllable items.

7. **Good Management**

The implications of good management as revealed in the Anglo-American council on productivity teams finding can be listed as

a) Training of its personnel, from shop floor to office, in its special skill, both within and outside the firm.

b) The appropriate organization to ‘spot’ managerial talent, train it, give it the right kinds of experience, and promote it, with sole regard to its merit and efficiency;

c) Organization and administration of managerial skills to secure the most efficient, effective and economical controls over productive processes.

d) The pre-planning of all operations to secure the smoother and fastest flow through all the productive processes.

e) The closest and best team work in and between all departments and the measures to secure it.
f) Close and continuous pressure for greater standardization, simplification and specialization of component or processes and end products.

g) Close and continuous pressure for research, experimented on, modifications and improvements.

h) An artist’s awareness of the human tolerance within which all these condition can be fulfilled.

The three elements namely technology, management and human relations, appear to be of importance for developing countries. A well trained management and trade union with mutual understanding of each other’s problems can create climate required for increasing productivity.

With regard to the result of the remedial measures taken so far to minimize the losses, the Committee was informed that though the Corporation had been planning to improve utilization and productivity not much headway could be made mainly due to inadequate working capital and shortage of workmen in many mills. The working capital shortage affected even the routine maintenance, which led to break down of machineries and consequent deterioration in quality of the products. Surplus labour arising out of new work norms had been retired under VRS or offered alternate employment in other mills where there was shortage.

Apart from the remedial measures already taken, the Corporation was now focusing its attention mainly on the following two areas:

i. Measures to arrest cash erosion through better utilization of all resources to avoid further loss of working capital.

ii. Measures to improve the quality of the end products to improve unit realization and value of production.
Textile mills face various problems which should be properly looked into. Effective steps should be taken to deal with these problems. The various problems of productivity are as follows:

1. **Labour Absenteeism**

   Casual labours are appointed in the study unit and in the stores department. During the sowing and harvest seasons there is labour absenteeism. The labourers go to agricultural fields till the season is over. To solve this problem the appointment of the labours should be made permanent. As the job is not permanent, they abstain from work very often.

2. **Low Capital Productivity**

   The capital productivity has been reduced. This may be due to inefficient use of capital and shortage of capital. To solve this problem the capital invested should be used efficiently and effectively. The capital structure should consist of both debt and equity capital.

3. **Huge Wastage**

   There is a problem of huge wastage. Wastage occurs due to ineffective use of materials and poor quality of materials. To solve this problem, standard and good quality of materials should be used. Workers should be given training to use materials efficiently.

4. **Responsibility without Authority**

   Responsibility without authority is meaningless. People who manage should have a right to encourage the talented people who deliver the goods. Moreover, they should have the capacity to reward them either cash awards or recognition at appropriate occasions. To solve this problem, there must be delegation of authority and decentralization of decision making and giving the departmental heads enough autonomy and freedom in the management of the manufacturing unit.
5. Inadequate Communication

This is one of the most single parameters affecting productivity. Due to inadequate communication, decisions cannot be implemented. The contents which are not clear become a hindrance. It then affects the productivity. To solve this problem a free and bilateral brainstorming session should be encouraged.

5. Lack of Motivation

Motivation is a universally accepted single parameter which affects productivity. There is a wide disparity between wages in private and public sectors. This is an extremely tricky problem. To solve this problem there should be national wage policy or wages could be linked with the profitability of the concern. ‘Big carrot’ is an important motivation.

6. Absence of Proper Incentive Schemes

There should be incentives for higher productivity. If output is more than the expected level incentives could be introduced. The statutory incentives such as over time and bonus motivate them remarkably. Besides these, it is suggested to offer yearly gifts in the form of useful goods to the employees. These gifts will create a sense of dedication in the minds of the employees.

7. Lack of Good Industrial Relations

There are various forms of industrial unrest that may lead to the phenomena like go-slow, gherao and strike. Some times there is no issue, but the ego is hurt and this leads to a situation of deadlock and affect productivity. To solve this problem worker should be allowed to participate in the management and a cordial atmosphere must be maintained.
8. Lack of Human Relation

The manager who wants to achieve his targets has to rally around efficient people who can deliver goods instead of correcting the erring individuals. To solve this problem the welfare of the employees can be clubbed under good human relations. A happy employee at home is a happy employee at office. Housing facilities may be given to the employees.

9. Lack of Encouragement for Skilled Workers

The labours are mostly from the villages. They are not given adequate training to carry on their work with confidence and interest. As a result they are unable to become skilled workers. To solve this problem adequate training should be given to the workers through on the job and off the job training programmes. Managers should encourage the workers to become skilled workers.

10. Lack of Work Culture

Labours appointed do not possess work culture. In addition to the training their work culture is not improved. They are accustomed to while away the time and become lazy. To solve this problem lectures may be arranged to inculcate work culture to them. Film shows should be organized wherein films from developed countries may be screened.

11. Measurement of Output

Measuring the output is a problem in some manufacturing concerns especially where the output consists of a process or group of products. To solve the problem of measuring productivity of complicated product mix, individual productivity index may be calculated for each item.
6.4 CONCLUSION

The relationships between output and materials, output and labour, output and capital, output and working capital, output and wages, output and power and fuel were tested with the correlation to find whether there is any relationship between the two variables.

The textile sector is a complex industry using several fibres such as cotton, silk, synthetics and regenerated man-made fibres and jute. The machines and processes used for converting these fibers into yarns and fabrics are similar in principle, but are in fact quite distinct. Thus, measuring the productivity of the textile industry is a complex task. There are various types of resources, which are not inter-convertible in textiles can be measured in terms of any of the resources used.

The relative contributions of various factors such as machine, man and material to productivity will be different in different industrial situations. It depends on the number of considerations like the level of technological development, the relative cost of labour and equipment, the cost of material and other factors. Thus, higher productivity is not an accident. It is the result of effective planning and the judicious use of resources. Productivity and profitability are closely related factors in the textile industry.

Import substitution, regional dispersal of industries despite locational disadvantages etc. might have led to the inefficient use of resources due to the undue protection that entailed from such a policy.
Decline in competition arising out of import control measures and domestic industrial licensing policies seemed to have protected the high cost firms from domestic and foreign competition, thereby leading to industrial inefficiency.

Productivity is not an accident. It can not be achieved overnight. It depends on each every factor of productivity. Effective and efficient utilization of the resources will always be a difficult task .but it can be easily achieved by our commitment to productivity. It increases when lesser quantities of inputs are employed for the same production. Production also increases when more output is turned out for the same resource.