CHAPTER - 6

RESEARCH VERIFICATION

- HYPOTHESIS VERIFICATION

- PLRS - IMPACT & INPUT-OUTPUT MODEL

- SIGNIFICANT INDICATIONS & FINDINGS

- PRODUCTIVITY REDEFINED

- PRODUCTIVITY IMPROVEMENT IN SERVICE SECTOR
RESEARCH VERIFICATION

THE study results of EPFO and ESIC proved all the three hypothesis of this work.

I. Hi: There is a high impact of PLRS on productivity systems and procedures, decision making, customer orientation and organisational working of service sector organisations.

II. Hi: There is high impact of PLRS on pendency of work, reduction in internal delays, targets for task accomplishment.

III. Hi: There is high impact of PLRS on work commitment, morale and motivation, team work and interpersonal relations in service sector organisation.

6.2 The hypothesis has been unambiguously proved for both the organisation by quantitative as well as by qualitative study. A clear co-relation has been seen in qualitative and quantitative study results. The improvement in qualitative productivity of EPFO is higher than ESIC and same trend is reflected in their quantitative study results, thus confirming the validity of the research model, instrument and data interpretation etc.

PLRS - IMPACT & INPUT - OUTPUT MODEL

6.3 The model evolved in this study pertaining to productivity linked reward scheme in service sector. The model is given in Exhibit I in chapter No. 3 and two
subsidiary models of productivity management PLRS - Impact and Input - Output model as given in Exhibit 2 & 3 of chapter No. 3 also stands proved for general application to service sector organisation.

6.4 The perception survey of 45 organisations undertaken by the author has brought out clearly the concept of productivity, its planning and monitoring processes, and the potential mechanism for improvement of the same. The result show a clear way for augmenting the productivity efforts. In addition to this, all the participants were unanimous that this exercise has helped them to scrutinise their own thought-process regarding productivity and mentioned that this instrument could be used as an effective training tool for productivity awareness generation.

SIGNIFICANT INDICATIONS & FINDINGS

6.5 The other most significant indications and findings are as thus:

6.6 That word 'productivity' as applicable to service sector connotes "reaching higher levels of performance with lowest level expenditure of resources for providing appropriate quality of service to customer satisfaction". No doubt, it naturally takes care of output to input ratio management of resources for goal accomplishment.
PRODUCTIVITY REDEFINED

6.7 Speaking mathematically, productivity for service sector can be defined as follows:

\[ P = f(M, T, E) \]

Where

\( P \) = Productivity which directly influences profitability.
\( M \) = Labour (Manpower to put it more appropriately).
\( E \) = Environment (both internal to organisation and external to it, in which organisation operates).
\( T \) = Technology (Information technology predominantly for banking and financial institutions and other large data based services).

Contribution of these factors, manpower, environment and technology to productivity, depends on many other factors as specified below:

\( M = f(\text{Motivation, Morale, Values, Ability, Skills, Knowledge, Experience, Education, Training etc.}) \)
\( E = f(\text{Ergonomic Conditions, managerial styles and practices, Norms, Customers Expectations, Procedures, Internationally Developed and locally available products and services etc.}) \)
\( T = f(\text{Hardware, software, Infrastructure, Service support, Product quality, Costs and rate of change of Technology itself}) \).
6.8 That definition should further be refined based on different service segment and even different operation of the same service, where the M, E, & T will need to be redefined to focus attention on the desired results and relevant inputs.

PRODUCTIVITY IMPROVEMENT IN SERVICE SECTOR.

6.9 That productivity improvement in service organisations is primarily a function of employee awareness and top management directions and commitment. The most successful route to productivity improvement could be employee education and training, and performance benchmarking at individual employee and various other levels in the organisation.

6.10 That productivity measurement in service sector is a definite possibility and needs to be evolved as management control system. It is also possible to identify the client/users values of productivity measures (customer orientation) to be built into productivity measurement systems.

6.11 That productivity in service units should be measured both at organisational level and individual level. A organisational level quantity of output as against standard output, profits, value added per employee and expenditure per unit of output could be significant productivity indices. Whereas, at individual level, target setting and objective oriented performance appraisal is considered as important measures of productivity. The use of logical
frame work for objective oriented productivity measurement model as given in Chapter No. 5 in Exhibit is established.

6.12 That even though the employees of service sector as yet may not have been exposed to the finer nuances of productivity and its measurement, they are definitely aware of the possibilities of qualification and determination of efficiency and effectiveness parameters as could be applicable to their performance.

6.13 These inferences indicate in clear terms towards a general action plan to create a productivity climate in any service organisation. The mechanism of implementation of plan necessarily has to be sector specific and further detailed study shall be required to identify the relevant productivity factors and their measurement model. As proved in hypothesis verification of this research, a properly designed Productivity Linked Reward System will have a very significant and positive impact on the individual and organisational work culture improvement and systems upgradations, these resulting into most wanted productivity orientation of Service Sector organisations.

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