CHAPTER 6.0

CONCLUSIONS, RECOMMENDATIONS AND CONTRIBUTION TO KNOWLEDGE

6.1 Conclusions

6.2 Recommendations

6.3 Contribution to Knowledge
6.1 CONCLUSIONS:
To conclude this research study concerning the status of Indian industry vis-à-vis the threat from MNCs following points can be mentioned:

6.1.1 Wide gap exists as evident from the model of 40 different attributes tested across the entire sample and the overall performance of domestic units compared with the performance of MNCs.

6.1.2 The attributes responsible for the dismal performance of the domestic units include complacency, slow and poor execution of improvement projects and mainly engrossed in maintaining day to day activities with short sighted views.

6.1.3 Absence of long-term strategy for cost reduction and continuous improvement was evident.

6.1.4 The managements of domestic units appeared to be aware but ignorant of the gravity of the situation in which the very survival of their business is very much in question.

6.1.5 Managements must improve involvement of all, including themselves and emphasize more on improvement / innovations rather than routine activities and fire fighting for temporary solutions.

6.1.6 The passion for continuous improvement and the zeal for facing the challenge was missing in many units.
6.1.7 Even the MNC sector needs to do substantial work on factors like cost of quality, suggestion schemes, quality circles, six sigma, FMEA, comparing their performance with the international benchmark and they have an uphill task to reach the status of World Class Organization.

6.2 RECOMMENDATIONS:

6.2.1 Industry leaders may seriously consider use of the model of 40 attributes tested across the entire sample and the findings of analysis as a guide for deciding priority and action plan.

6.2.2 C.E.O. himself has to take initiative and demonstrate discipline to senior management members on issues of involvement, culture, motivation, team working and empowerment of employees.

6.2.3 Kaizen, suggestion schemes and other activities encouraging workers need to be more creative and provide continuous flood of ideas. They must be started and sustained on a permanent footing.

6.2.4 The focus may be shifted from maintenance activities and fire fighting remedial actions to more of development, improvement and innovation as a key result area of individual performance.

6.2.5 Modern concepts of Strategic Management, Q.F.D., Cost of Quality, Activity Based Costing, Poka Yoke, S.P.C., F.M.E.A., JIT Six Sigma and 5-S must be implemented with full thrust from every one.

6.2.6 "Need based continuous training for all" should be accepted as part of important input for the survival of business.
6.3 CONTRIBUTION TO KNOWLEDGE:

While carrying out this research there was little doubt that the domestic industry is much behind the multi-national companies as evident from the success and customer preference enjoyed by the MNCs. Better quality product and service are generally believed as plus points of MNCs. However, what factors contribute to these plus points are not always clear. Some consider that because MNCs are large corporations, they have no dearth of resources. They always are market leaders. This research has attempted to reveal a model of 40 attributes, which are verified through the primary survey. The analysis of observations and information collected during this research has clearly identified following factors, which can be said as contribution to knowledge.

A) The Gap exists between the performance of Indian Industries compared with international bench marks. The model of 40 attributes has already computed values for the performances of domestic units and MNCs as shown in tables 5.1 through 5.131.

B) The problems being faced by the industry in achieving its objectives of quality improvement and cost reduction together with possible solutions identified are elucidated at chapter 5.3. In all, 26 problems and solutions are highlighted at chapter 5.3. It is hoped that the leaders of the industry may find these useful.

C) The benefits of the findings of the survey together with beneficiary parties have been clearly established at chapter 5.4 Fifteen major benefits have been identified in chapter 5.4.

D) A model of 40 attributes was identified which was tested at 37 units of the sample. An overall ranking of the 37 units has been made after computing and statistically analyzing the data. This ranking appears at Annexure 2. These results at Annexure 2 can be called as Quality
Rank for every company in the sample. This is an important contribution to knowledge.

E) To avoid monotony and to test Hypothesis all 40 attributes are tested by computing ‘t’ test. These tests have proved the hypothesis that lot of efforts are required on the part of leaders of domestic units to ensure global competency as represented by MNCs.

F) Major causes for the dismal performance of domestic units have been identified at 5.5 (c).