CHAPTER-VIII

PROBLEMS OF INDUSTRIES
CHAPTER- 8

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8.1 Managerial Problems :- The managerial problem refers to those problems which are faced by the manager in the enterprise during the tenure of his office.

Actually for finding out the managerial problems which the agro-based industries, established in the district are facing; it is essential to know the management and it's basic principles.

Being a human Organisation is not a natural system in the sense that its functioning is not directed by any invisible force. It is an artificial creation and innovation of human ingenuity and hence has to be directed by specific organ, which may referred to as ‘management’. Since an Organisation is a man made entity of co-operative group effort, some one has to take charge and co-ordinate its activities in a meaningful manner. An individual or a sub-group which takes charge of the Organisation and directs it’s activities is it's management. Many authors defined management in different ways as :

Peter Drucker: Management is a function, a discipline, a task to be done, and managers practice this discipline, carry out the functions and discharge these tasks.

Henry Fayol : “To manage is to forecast and to plan, to organise to command, to co-ordinate and to control.”

In relation to an organisation, management is the chief organ entrusted with the task of making it a purposeful and productive entity, by undertaking the task of bringing together and integrating the disorganized resources of manpower, money, materials and technology into a functioning whole. An organisation becomes a unified functioning system only when management systematically mobilises and utilises the diverse resources.

As the agro-based industries of the district are of the nature of tinny and cottage, the existence of the proper management does not exists. Basically in the industry the
managing person does not have the qualification required for conducting the industry properly.

In the industries of the district basically the following managerial problems were found to be existed:

**Lack of Conceptual skills**: the conceptual skill is the ability to think in abstract terms to form images and ideas, to visualize and understand the future and to discern relations and interactions among the elements of a system and changes therein. Conceptual skills are needed to identify and diagnose problems and opportunities, to understand the over-all organizational interests and needs and to relate them to its subsystems, to determine organizational and other derivative objectives, to plan and implement major changes in an integrated manner and so on. In the mostly industries of the district there is lack of conceptual skills in the management. It is a problem for the proper management of the industry as lack of this skill reduces the capability of the industry.

**Lack of Analytical skills**: this skill refers to abilities to proceed in a logical, step-by-step and systematic manner, to examine the various aspects of specific issues and to understand complex characteristic of a phenomenon. It is also the ability to break down a problem into its components and to ‘clinically’ examine its dimensions. Analytical skills are needed for problem solving and decision making, to evaluate performance, and to manage complex situations. Lack of analytical skill in the management imposes extraordinary burden on the industry as and when any problem is not solved because of the non-ability of the management.

**Lack of Administrative skills**: this skill refers to centre around ability to act in a pragmatic manner to get things done by implementing decisions and plans, to mobilise and organise resources and efforts, to co-ordinate diverse activities and to regulate organizational events in an orderly manner. In the industries of the district, while in the survey it was found that in most of the cases the management is not efficient in administrative skill because of the lack of ability in the field of management. Actually this managerial problem is due to the lack of knowledge or to say non-expertise in managing the situations.
Lack of Behavioural or Inter-personal skills: These skills have to do with the ability to understand people and their problems, needs and feelings, to get along with them, to interact and communicate with them, to provide leadership, to inspire confidence, enthuse and motivate people, to unearth talents to get the best out of them, to develop them, to build effective team work, to provide counseling, to resolve conflict and so on.

Generally there seems the improper-interaction between the manager and the subordinates, so it leads to many misunderstanding which creates so many problems. A great problem of the agro-based industry, situated in the district is the lack of effective team work.

While in the survey of the industry it was found that the manager only directs the subordinates and keeps him self away from the work which is to be done. Actually the treatment of the manager should be based upon the basic principles of the management. Accordingly he should not only to direct but also to help the subordinates, whenever they are in need.

Lack of Technical skills: Technical skills relate to job knowledge and expertise, ability to apply methods and techniques to work setting, to provide technical guidance and instructions to subordinates.

Generally in the industry established in the district, it is felt that the management is not so trained in technical skills.

All the above managerial problems of the industries established in the district looks to be due to the small size of the enterprise. The nature of the industry is tinny or very small size so it looks not to be possible to employ the high qualified manager having the knowledge of the management. The management of the industry does not adequately possess even the basic principles of the management as Planning, Organisation, Coordinating, Directing, Controlling and Motivation.
8.2 Raw Material Problems :- The Agro-based industries are facing many problems. One of them is raw material problem.

As agro-based industries need the raw material which is related to agriculture sector, it means the industries are indirectly related to villages. Since in the villages the availability of adequate road transportation does not exists so for getting raw material the problem of location exists.

The climatic condition sometimes also suffers the proper availability of raw material. For example for Tomato sauce industry the availability of tomatoes is available in winter season in the district; but in the summer season tomatoes are not produced in the district and has to be dependent upon the imports from other district; although the Tomatoes are largely produced in Nagpur in summer season; so it may be purchased from there.

One of the problems was also found related to raw material as the quality of the raw material is not so good in comparison to others; it reduces the quality of the finished products.

When we made the investigation of the agro-based product as ‘Allo Bhujia’ The quality of the product was not found to be very qualitative. And as we know it very well, unless and until we improve the quality of the product it is very difficult to stay in the market for long time. So for keeping us stable in the field of the industry we must pay attention to improve the quality of the finished product for it we would have to pay attention towards using the good quality of raw material.

Another problem related to raw material is storage problem. As the agro-based industries of the district are started with low investment of capital. proper space for keeping the raw material is not available. However this storage problem vary from industry to industry depending upon the availability of resources.

8.3 Financial Problems :- The Agro-based industries of the district are also facing the problem of finance. Though the district is not developed so here the problem of capital formation and the availability of capital exists. Although the financial institutions are providing loans to these industries yet it leaves extra burden on the industry in the form of interest.
The industry is also facing the problem in raising loans from the banks due to the complexities in the procedure and also the industries are not getting the proper advantage of the government relaxations and schemes due to the ignorance and non-cooperation of the officers.

While in the survey it was also found that the industries are also in the grip of over capitalisation or undercapitalization. It is due to mis-management of finance by the managing department. This severe problem of the overcapitalization led to extra burden on the industry and undercapitalization led to industry to go in to the position of liquidation.

It is also the bad characteristics of the industry of the district that management keeps the finance idle. Whenever it is not in use it must be deposited in the bank so that it may earn some interest.

For developing any industry it is also essential to estimate the required running capital. Many industries were seen to be liquidated due to the non availability of running capital, although they possessed a large amount of capital in the mode of fixed capital.

Another financial problem of the industries extracted from the survey is the existence of the corruption internally and externally. Since the industries of the district are of the nature of tinny and small so they do not apply the formula internal check system and it leads to increase mis-appropriation of finance. Corruption was also found in the financial institutions as when the industry is in the requirement of loans the industry has to pay the big commission to the officers for getting the loans.

8.4 **Administrative Problems :-** The most severe administrative problem was observed the lack of knowledge of the administrative officers of the industry.

While in the survey, when the questions were put up about the problems of the industry, they found themselves helpless in answering. They were not competent in solving the labour problems, financial problems and were also not expert in personnel management.

Thus the suggestions were given to the owners as well as to administrative officers to improve the quality and understanding of the administrative officers so that the improvement of the industry may be made, because the administrative officers of any
industry are very important factor for the industry. They makes planning and get implemented.

The another administrative problem internally existed was the late execution of any planning. Actually talk was made with many persons who were interested in establishing the agro-based industry but their planning was not implemented. When the reason was investigated of late execution of the planning it was found that they were afraid of getting success in this field, also they were not competent in planning, arranging money and studying the market so they could not establish the industry.

The same above problem was also found in the established agro-based industry as the administrative officers were interested in expanding the activities but their planning was only on papers, not looking forward to implement the planning.

Non-cooperation of staff is very big head-ache for the administration. The labour of the industry is not skilled and often absent from the work, this lead to interruption in the production. Also the labour of the industry generally not prepared for over-time work even in the condition of getting the double wages for the over-time work.

The administration of the industry some times faces the problem of bureaucracy which imposes extra burden on the industry. For example the late completion of the files in government offices, commission system leading to corruption and non-cooperation of government officers with the administration of the industry also responsible for the slow development of the agro-based industries.

8.5 Technical and Qualitative Problems :- The industries of the district are not developed from the technical point of view. The working of the industries is mostly based upon the conventional methods.

When we analysed the technical knowledge of man, it was found that the working persons of the industries are not skilled and competent in their work. Actually unskilled labour and semi-skilled labour looked to be unable to work independently. The labour of the industry is also not stable as the labour is related to villages and often moves to village, leaving his work.
The machines of the Agro-based industries of the district are also not modern. The productivity of the machine per hour is not satisfactory. There is also lack of lab facility. the research work is not in practice because of the unavailability of the resources.

8.6 **Other Problems :-** The agro-based industries of the district Jalaun are also facing many other problems. Some of the investigated problems are as under:

1. Lack of quality product
2. Under utilization of available resources
3. Non-effective channels of distribution
4. Bad grip in market
5. Inefficient in competition with the product of large scale industry
6. Labour problem like instability of labour
7. Lack of knowledge about modern technology
8. Lack of infrastructure development which creates many problems
9. Poor supply of electric
10. Non-implementation of Government’s planning
11. Poor cooperation of Government officers