CHAPTER - V

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 INTRODUCTION

The study aimed at measuring the successful operation of powerloom entrepreneurs and the intensity of the major problems faced by the powerloom entrepreneurs in various functional areas of management. For this purpose, 600 sample respondents were selected using stratified simple random technique from five important powerloom clusters of Tamilnadu. Field survey technique was employed to collect the first-hand information from the sample respondents. Interview schedule was the main tool employed to collect the pertinent data. The collected data were arranged in simple tabular forms and appropriate statistical tools were used for data analysis. Based on this, analysis and interpretations were made systematically. In this chapter, an attempt is made to recapitulate the key findings and conclusion. Based on these findings, a few suggestions have also been made by the researcher.

5.2 FINDINGS

5.2.1 Chi-Square Analysis

- The respondents’ age was studied under three strata viz., young, middle and old aged category. It could be found from the analysis that the
young (below 30 years) aged respondents performed very successfully in the powerloom business than middle and old aged respondents. The chi-square test proved the result at 5 percent level of significance.

- Sex-wise analysis revealed that male category of entrepreneurs in the study area is more successful than the female entrepreneurs in powerloom business.
- The respondents’ educational level and their operating skills of powerloom industry highlight that the respondents having college level education were operating the powerloom business very successfully than the school level educated, professionally qualified and illiterate entrepreneurs.
- It is noted from the analysis that the powerloom entrepreneurs earning above Rs.20000 per month were more successful than the other groups. The result of chi-square test proved that there is a close relationship between income generating and success rate of powerloom entrepreneurship.
- It is found from the analysis that the respondents having more than 10 years of experience were identified as successful powerloom entrepreneurs than the other categories. The chi-square test is also proved that there is a close relationship between respondents’ experience in powerloom business and their successful operation.
- Marital status of the respondents was studied and it is identified that married respondents have progressed very successfully than the unmarried respondents and the chi square test is also proved that there is a close relationship between marital status of the respondents and their successful operation of the powerloom industry.
- Family Size of the respondents was studied and it is concluded from the analysis that the powerloom entrepreneurs having more than 4 members in a family showed better progress than the respondents having small
size and medium size family. The result of chi-square is also proved that there is a close relationship between size of the family and successful operation of powerloom industries.

- It is evident from the analysis that the powerloom entrepreneurs having below Rs.5 lakhs wealth position performing well compared to their counterparts having 5-10 lakhs and above 10 lakhs wealth position. The result of chi-square is also proved that there is a close relationship between wealth position of the respondents and their successful operation of powerloom industries.

- It is witnessed from the analysis that more successful operation of powerloom industry was among the powerloom entrepreneurs running the powerloom business in the category of proprietorship. The chi-square test is also proved that there is a close relationship between type of business holding and their successful operation of powerloom business.

- It is noted from the analysis that the more successful operation of powerloom industry was among the powerloom entrepreneurs who had more than 3 partners in their company. The chi-square test is also proved that there is a close relationship between respondents having more number of partners and their successful operation of powerloom business.

- The number of days functioning in powerloom industry was reduced due to various reasons like non-availability of quality raw materials, ill-treatment of labourers by the powerloom entrepreneurs, frequent power cut and migration of labourers to nearby hosiery industries located in Tirupur and Coimbatore. Hence, the number of operating days were gradually reduced to 200-300 days.

- It is concluded that the entrepreneurs who manufactured products in job order basis for other firms are the most successful in their industry. The
chi-square test is significant at 5 percent level and the null hypothesis was rejected.

- It is inferred from the analysis that the most successful operation of powerloom industries was by the powerloom entrepreneurs who have established and organizing their powerloom industry by their own as first generation entrepreneurs. The result of chi-square test also proved that there is a close relationship between generation of the respondents and their success rate.

5.2.2 Multiple Regression:

The Multiple Regression Analysis reveals that the successful operation of powerloom industry is positively associated with the entrepreneurs Educational status, Monthly Income, Experience, Type of company, Number of partners, Working days per year and Nature of the company in the study area.

5.2.3 Multi-Discriminant Analysis:

It could be found from the Multi Discriminate Function Analysis that the respondents were discriminated based on the low and high Success level. The factors like Educational Level, Wealth Position, Type of the company, Number of partners involved in the company, Yearly working days, Nature of the company and Opinion towards first generation entrepreneurs influences for high level of discrimination.
5.2.4 Factor Analysis:

From the factor analysis, the factors were studied by selecting sixteen variables. Out of sixteen variables, only five variables show high level of influence with 63.25 cumulative percentage with 8.220 variance. Further, it is noted that the present study has divided the successful operation of powerloom industry into five categories. The entrepreneurs were named the first factor as ‘Production Conscious Entrepreneurs’, who are running their powerloom industry with sufficient production of goods. Second kind of factor has been named as ‘Quality Conscious Entrepreneurs’. These entrepreneurs feel their products should have high quality. After getting production and quality support, the powerloom entrepreneurs need organising capacity and so the third factor was named by the researcher as ‘Administration Conscious Entrepreneurs’. In their administration they can easily get employee support for their production. Continuously, the powerloom entrepreneurs should need finance for purchasing of raw materials and working capital in production and marketing to run their powerloom industry. Hence, the researchers named the fourth following factor as ‘Finance Conscious Entrepreneurs’ which is essential for every powerloom entrepreneurs.

5.2.5 Structural Equation Modeling (SEM)

From the analysis of Structural Equation Modeling, it is concluded that there is a close association between successful operation of Powerloom Industries and its relative independent variables namely Age, Education, Experience, Family size, Wealth Position, Type of the Company, Number of the Partners, Number of Working Days, Nature of the Company and First Generation.
5.2.6 Percentage Analysis

- The operation of powerloom industries was ascertained based on the shifts. The analysis reveals that majority (70.0%) of the powerloom entrepreneurs were operating two shifts in their powerloom industry.
- It is noted from the analysis that majority (65.8%) of the powerloom entrepreneurs were operating their shift for 12 hours in their powerloom industry.
- It is evident from the analysis that majority (67.2%) of the powerloom entrepreneurs were not aware about different funding schemes in the Government of Tamilnadu for the development of powerloom industry.
- It is inferred from the analysis that 41.6 percent of the powerloom entrepreneurs were familiar with the scheme ‘Integrated Scheme for Powerloom Sector Development’ available in the Government of Tamilnadu for the development of Powerloom industry.
- It is learnt from the analysis that the maximum (51.3%) of the powerloom entrepreneurs were came to know the Government funding schemes for weavers only through friends and relatives.
- It is implied from the analysis that majority (63.8%) of the powerloom entrepreneurs were obtained the loan from commercial banks.
- It is surmised from the analysis that majority (76.2%) of the powerloom entrepreneurs were refund the loan at the correct time.
- It is found from the analysis that 43.4% of the powerloom entrepreneurs were unable to refund the loan due to production problem.
- The sources of information was studied and it was learnt that majority (74.5%) of the respondents were not getting any information for their industry from powerloom service centre.
• It is observed from the analysis that 100 percent of the powerloom entrepreneurs were being a member of association relating to their powerloom business.

• It is implied from the analysis that majority (60.7%) of the powerloom entrepreneurs were agreed towards the opinion of ‘social status’ to start the powerloom industry.

• It is concluded from the analysis that majority (63.8%) of the powerloom entrepreneurs were agreed towards the opinion of ‘legitimate registration of the company is essential for availing the benefits from the government’ for the development of the powerloom industry.

• It is found from the analysis that 40.7% of the powerloom entrepreneurs were started their powerloom industry by investing their own capital of below Rs.2 lakhs.

• It is concluded from the analysis that majority (59.0%) of the powerloom entrepreneurs were started their powerloom industry by investing the borrowed capital of below Rs.2 lakhs.

• The number of powerlooms used in their industry was studied and it is inferred from the analysis that majority (41.1%) of the powerloom entrepreneurs were having above 20 powerlooms in their powerloom industry.

• It is concluded from the analysis that majority (45.5%) of the powerloom entrepreneurs were employing below 10 workers in their powerloom industry.

• It is evident from the analysis that majority (61.7%) of the powerloom entrepreneurs were utilized the capacity between 50% and 75% in their powerloom industry.
• It is observed from the analysis that 42.2% of the powerloom entrepreneurs were manufacturing Grey Cloths in their powerloom industry.

• It is witnessed from the analysis that 48.3% of the powerloom entrepreneurs were moderately satisfied towards their average monthly production level to meet out their demand.

• It is found from the analysis that majority (63.2%) of the powerloom entrepreneurs were marketing their products through agents.

• It is concluded from the analysis that majority (50.2%) of the powerloom entrepreneurs were selling their products at district levels.

• It is inferred from the analysis that 55.8% of the powerloom entrepreneurs were preferred district levels market.

• The mode of sales was studied and it is found from the analysis that majority (62.3%) of the powerloom entrepreneurs were offering credit sales for their products and they were giving one month period for credit sales.

• It is found from the analysis that majority (59.1%) of the powerloom entrepreneurs were not interested to collect any interest for credit sales.

• It is surmised from the analysis that majority 47.7% of the powerloom entrepreneurs were offering promotion like trade discounts and encouraging with 2% of total sales as special discount.

• It is noted from the analysis that majority (58.5%) of the powerloom entrepreneurs were agreed towards the cost of production to fix the price for their products in the market.
5.2.7 Henry Garrett Ranking Method

- It is inferred from the analysis that most of the entrepreneurs were opined that “Entrepreneurial skill” and “Leadership skill” were the important skills required to start and manage the powerloom industry.
- It is concluded from the analysis that the respondents who have faced the most vital issues of production problem after starting the powerloom industry were “High cost of production” and “Absence of modernization”.
- It is inferred from the analysis that majority of the respondents were faced the major financial problems like “Lack of availability of working capital” and “Continuous Business Loss” among listed nine problems in their powerloom industry.
- It is stated from the analysis that the respondents who have ranked the most burning marketing problems after starting the powerloom industry were “Tough Competition” and “Credit Sales”.
- It is inferred from the analysis that majority of the respondents were highlighted that the “Price fluctuation” and “Lower demand” were the most crucial issues among the five competitive problems in their powerloom industry.
- It is noted from the analysis that the powerloom entrepreneurs who have faced the important problems of transportation after starting the powerloom industry were “Delay in Supply of Raw Materials” and “Demanding Bata by Drivers & Cleaners”.
- It is cleared from the analysis that majority of the respondents were faced the major labour problems in their powerloom industry like “Demanding higher wages” and “Labour absenteeism” among listed six problems.
• It is concluded from the analysis that the respondents who have faced the most important quality problems in powerloom industry were “Changing attitude of consumers” and “Lethargic attitude of weavers”.

• It was observed during the study that prior to millennium year the entrepreneur belonging to Kaikolar and Sengunthar Mudaliar caste of backward community dominated in powerloom products manufacturing and trading and the business was smooth during this period. After millennium year the other caste people are also entered in the powerloom products manufacturing through lending finance for the Kaikolar community and very easily included in the powerloom business and capture the maximum share in all the revenue blocks of Erode, Tirupur and Coimbatore districts and simultaneously the poor Kaikolas ran away from the business and settled at nearby cities.

5.3 SUGGESTIONS

1. The entrepreneurs’ age – wise progress was studied and learnt that young age respondents running the business very successfully due to high level of motivation and zeal. Whereas the respondents at middle aged category and old age category showed comparatively less progress due to their age level and unable to manage forcefully. Hence, it is suggested that the middle and old age respondents should be given proper motivation and their financial needs should be fulfilled on time.

2. After millennium year most of the powerloom entrepreneurs’ wards have focussed their attention towards IT and IT enabled industries to gain attractive salary and perks and hence the professionally qualified people are not showing much interest to take charge of their family business. Hence, it is suggested that the Government should give a
special priority to attract the youths during their education. Some concessions may be offered for students studying Textile Technology, Textile Processing and Dyes and Chemical Processing.

3. The number of operating days of powerlooms was gradually reduced to 200-300 days due to poor treatments of the labourers by abusing in slant languages, poor quality of raw materials and frequent power cuts. Hence, it is suggested that the powerloom entrepreneurs should search availability of good quality raw materials, alternative sources of power supply through windmill energy generating system or solar energy system. Further, it is most important to pinpoint that the present day youths working as labourers in powerloom industries never accept by calling the workers in their community name and frequent use of filthy languages. These kind of misbehaviour of the powerloom entrepreneurs force the labourers to migrate from the respective villages and join to the neighbouring hosiery industries at Tirupur and Coimbatore district. This migration creates more headaches to the Government of Tamilnadu. Hence, due care should be taken against these issues.

4. It is disheartening to note that most of the powerloom entrepreneurs are under the clutches of private financiers. This affect drastically and in order to pay the debts they are selling the powerloom machines one by one and at present they are all doing job works for the giants in powerloom business. Hence, it is suggested that whenever a small and medium powerloom entrepreneurs suffering with financial crisis or working capital management, the bank should come forward to settle their financial demands and should provide timely help. Further, it is advised that the small powerloom entrepreneurs should create a good corpus fund and this may be utilized at a very meagre rate of interest, which should be below the interest rate of the banks.

5. While comparing the success rate with the first generation entrepreneurs and second generation entrepreneurs, the study highlights that the first
generation powerloom entrepreneurs are very dynamic, sincere and dedicated to achieve the task very successfully than the second generation entrepreneurs. Hence, it is suggested that the second generation entrepreneurs too be given more priority by forgetting caste discrimination. The kaikolar community who are involved in textile business as second generation entrepreneurs should realize the power of unity because unity is the strength.

6. The Government has introduced a few schemes to support the powerloom entrepreneurs. They are Computer Aided Design Centres (CADC), Powerloom Service Centres (PSC), Technology Upgradation Fund Scheme (TUFS), Group Insurance Scheme to the Powerloom Workers and Group Work Shed Scheme. But majority of the powerloom entrepreneurs are not aware all these schemes thoroughly. Hence, it is suggested that the Government should appoint a few information officers to spread the schemes and messages at powerloom entrepreneurs level. Further, it is suggested that different media like press, radio and television may be used by the Government to reach this messages.

7. The powerloom entrepreneurs establish the industry through loans and most of the entrepreneurs were unable to refund because of the poor return on investment. Hence, it is suggested that the powerloom entrepreneurs should concentrate more on optimal productivity with high quality powerloom products.

8. While analysing the proper legitimate registration of the company it is disheartening to note that majority of the powerloom entrepreneurs were not registered their company as per the norms which prevent them to avail the benefits from the Government. Hence, it is suggested that even if the powerloom entrepreneurs are running a tiny and small industries they should register as per the Government norms, which enable them to avail all the schemes and benefits available from the Government.
9. A good majority of the powerloom entrepreneurs are unable to utilize the powerloom plant at optimum level due to irregular power supply and non-availability of good quality of raw material. Hence, it is suggested that the powerloom entrepreneurs should take special care to utilize the plant at optimum capacity.

10. 48.3% of the powerloom entrepreneurs have expressed that they are unable to fulfil existing demand due to poor supply capacity. Though the powerloom entrepreneurs are expert in manufacturing good quality cotton made powerloom products but poor in marketing their products. They are totally dependent on marketing agents rather than direct selling. Hence, it is suggested that the powerloom association may be established a data mine consist of various domains revealing different kinds of buyers in domestic market and international market.

11. 55.8% of the powerloom entrepreneurs have preferred district level market to avoid high risk. Hence, it is suggested that these entrepreneurs may establish the Karur Textile Entrepreneurs’ Marketing strategy.

12. Maximum sales in powerloom business are on credit basis but the local powerloom entrepreneurs never collect any interest for these sales. This habit makes them to become big debtor. Hence, it is advised that bank interest rate may be collected by the powerloom entrepreneurs. Because they are also paying interest for purchase of cotton especially in credit purchase.

13. While analysing the most burning issue of production of powerloom products, it is noted that the production cost goes very high because of purchasing the raw cotton at high rate and paying interest for credit purchase. The entrepreneurs still adopting the classical manufacturing system and fails to adopt latest technology. Hence, it is suggested that innovative techniques should be employed with high tech infrastructure facilities in the powerloom industries.
14. It is inferred from the analysis that lack of availability of working capital is a major financial problem and continuous business loss demolished powerloom entrepreneurs. Hence, it is suggested that timely financial help should be offered by the bank as well as private financiers to safeguard the powerloom business.

15. After globalization the powerloom entrepreneurs faced a cut-throat competition and they are unable to compete the global players and large scale manufacturers. Further, the credit sales make them to bankrupt. Hence, it is suggested that a good quality product should be produced and they should be capable to face the stiff competition and also advised to limit the credit sales.

16. Price fluctuations and lower demand were the most crucial issues among the competitive problems. Hence, it is suggested that prevailing demand should be properly ascertained and accordingly the sales may be concentrated at domestic as well as in the international market. Further, it is suggested that the Government should intervene to fix the standard price for the yarn instead of the prevailing fluctuating price within a day.

17. Transporting the goods from one place to another is a great headache especially delaying supply of raw material and demanding the daily Bata by drivers and cleaners. These issues should be solved with proper discussions with the fleet operators / owners.

18. While analysing the labour issues, the labourers demands higher wages and this may be regulated through labour welfare department, Government of Tamilnadu. Further, it is suggested that the powerloom entrepreneurs should give proper counselling to their employees who were frequently absent from duties. The workers in the powerloom industry should co-operate to the management for producing good quality of products. For this purpose they all should have positive attitude and should avoid laziness.
19. The factor analysis sheds light on high level influenced variables for achieving success with 63.25 cumulative percentage at 8.22 variance level. Hence, it is suggested that the entrepreneurs should concentrate on optimum productivity at high level quality consciousness. This can be achieved through efficient administration with adequate financial support.

5.4 CONCLUSION

The study on Knowledge Assessment and Management provides a valuable source of information about the functioning and performance of the Tamilnadu powerloom industry. The powerloom industry occupies an important role in the economy of India because of its contribution to the industrial output as well as the generation of the employment. As the quota restrictions are removed, our powerloom entrepreneurs should concentrate on modern technologies, innovative designs and improved quality to compete with the global competition and to run the industry with higher profitability. The state Government also has to take meticulous care and should analyze the problems in powerloom industry and create awareness among the powerloom entrepreneurs to manage efficiently by analyzing new trends in the study area.

In course of time, due to lack of attention and innovation towards the powerloom industry, the study area will reach the level of under development. Healthy competitions have not yet been made and the concerned powerloom entrepreneurs have been suffering without new technologies owing to the lack of financial assistance. The Government has to take immediate steps and quench the thirst of the pining powerloom entrepreneurs.