CHAPTER V

Objectives and Methodology

The various purposes of this chapter are to define its objectives and to discuss the methodology employed. Besides, efforts are also made to outline the selection of the topic, hypothesis, importance of the study, significance of the study, scope of the study, utility of the study, selection of the sample, period of study, sources of data, statistical techniques used and limitations of the study.

Selection of the topic:

Sangam Dairy is very important to the rural masses; milk being a dare necessity product and it provides income and employment. Its financial position a decade back was not good. However, it recovered later and it is running with profits. To study a progressive dairy like this is of course important and useful nowadays as most of the rural masses are depending on this. That’s why this topic is taken to find out the working, growth and performance of Sangam Dairy. Further the present study has been undertaken with the view to make an in depth study of organization, Management, Finance, Production, Marketing and Labour of this industry.

Hypothesis:

Hypothesis is a statement in a research, which the study might prove or disapprove. A hypothesis helps a researcher in proceeding further and finding solution of the problem, which he wants to study. Without hypothesis, there can be no effective going ahead. It is with clear hypothesis that one comes to know of the scope of the study, nature of data to be collected and the one to be discarded. Again the hypothesis helps in organizing data collected in a very systematic way and in fact it stands at the mid-point
research, where he can go in either direction. A hypothesis provides a tentative solution to the question of how and why. In a scientific enquiry no step further can be taken unless and until there are well-established hypothesis.

In the words of Goode and Hatt, “It is a proposition which can be put to a test to determine its validity. It may seem contrary to, or in accord with, common sense”.

Lundberg has said that, “the hypothesis is a tentative justification, the validity of which remains to be tested”.

According to Chaddok, “A hypothesis in the scientific sense is … an explanation held after careful canvass of known facts, in full knowledge of other explanation that have been offered and with a mind open change of view of the facts disclosed by inquiry warrant and a different explanation”.

Hypothesis occupies an important place and position in research problem. It is the hypotheses, which is to be accepted, reflected, proved or disproved. All the data is to be collected with an eye on the hypothesis. It is therefore essential to know how to formulate hypothesis. A hypothesis can be developed in the initial stages but as the investigations proceed the original hypothesis might undergo numerous changes, in some cases there might be even substantial changes. The reason for the same is that the new accumulative evidences not anticipated at the commencement stage might come to light. It is always in the interest of researcher that he should keep his mind open and flexible. He should be prepared to retrace the step and to revise his hypothesis, if need be. In some, cases, after the collection of data, it might even become necessary to abandon the hypothesis. In some other cases hypothesis might take formulative and definitive stage only after some data has been collected.
Formulation of careful hypothesis becomes necessary because that makes the investigation easy. There can be number of hypotheses and some are to be discarded in the very beginning while others in the course of investigation. Hypothesis should be such that it results in efforts to discover something not already, known i.e. why it is also called creative art. Care should be taken to see that the hypothesis or problem of study is not only interesting but also useful both for the society as well as the research. After understanding the hypothesis, and to carry out the study on sound lines, the researcher hypothesized the following:

1. Sangam Dairy has been running on smooth lines
2. The various products of Sangam Dairy Viz., milk and milk products are satisfying the basic needs of consumers of Guntur district at reasonable prices.
3. The Dairy has been providing livelihood to thousands of peasants living in rural areas of the district.
4. The Dairy has been providing employment opportunities to many unemployed youth.

Objectives of the Study:

The chief purpose of the study is to understand the growth and performance of Sangam Dairy and thereby to suggest such measures that would further enhance the performance of the Dairy. The detailed objectives to the study are set as following:

1. To examine the evolution, growth, working and contribution of dairy industry in India since inception to the modern times;
2. To describe the growth and working of Sangam Dairy, its role in dairy industry and in Guntur district;
3. To explain the organizational structure and management of Sangam Dairy in detail;
4. To ascertain the activities of planning, organizing, controlling, coordination, marketing and personnel management of Sangam Dairy;

5. To evaluate the financial analysis of Sangam Dairy and to see whether there is any deviation from the standards,

6. To analyze the overall position of Sangam Dairy at present and focus on its future in the next 10 years; and finally

7. To suggest some measures for the effective functioning of Sangam Dairy on one hand and dairy industry on the other.

**Importance of the Study:**

The dairy industry in India is playing a key role and contributing reasonably well to the economy. Though it started with very little milk procurement, later it grown leaps and bounds through co-operative societies spread throughout the country. As the industry provides income and employment to rural masses and milk being a daily necessity, it will, no doubt, continue to grow in the coming years.

In the state of Andhra Pradesh the role of milk co-operative societies and milk dairies is no less. Among other dairies, Sangam Dairy in Guntur district has been significant. Since inception it has been serving the needs of the people of Guntur district. In the later period, it expanded its operations not only in Guntur district but also to some parts of the country. Similarly, it expanded its capacity and also increased production of other varieties of milk products. Its financial position a decade back was not good as per the reliable sources. However, it recovered later and it is running on profits. In this backdrop the present topic has been taken up to study the overall performance of Sangam Dairy and thereby to suggest appropriate measures.
Significance of the Study:

The study has great significance in the absence of similar study pertaining to Sangam Dairy. This study is relevant particularly when the present government of Andhra Pradesh is very keen on the development of agriculturists and agriculture labour of the state. It is a well-known fact that the Sangam Dairy has been serving the people of Guntur district since its inception. Thus, studying this type of a unit for a decade period is significant. The dairy was born in February 1978 and ranks third in size in India. Moreover, it is creating an appealing image among the general public. In this context, the importance of a study of Sangam Dairy i.e. a co-operative enterprise need not be overemphasized.

Scope of the Study:

The subject area of the research covers an analytical study of the milk industry as a whole and Sangam Dairy in particular. The geographical area of the study covers a prominent district i.e. Guntur in the state of Andhra Pradesh. The study covers wide range of aspects Viz., Organization, Management, Marketing, Finance, production and Personnel.

Utility of the Study:

The study may sharpen the theoretical framework in the discipline particularly the study will contribute to the knowledge in the field of milk industry. It would be helpful to the government and management in the formulation of strategy and policy in the areas of Human relations, Human resources, Production, Finance, organization, Management etc.

The Study will help in widening the perception of sociological and humanitarian value of manpower in industry. The study will help in widening the milk-food industry
particularly in bringing improvements in their working for achievement of better results. The study will encourage workers, trade unions and management of the industry to bring changes in their behavior necessary for effective and efficient performance. The study is of practical and academic interest to academicians, researchers and others concerned in this area.

**Selection of the sample:**

To study the growth, importance and impact of dairy industry on Indian economy have great relevance due to its contribution in multifarious ways. A study on a suitable unit will serve the purpose. Keeping this in view Sangam Dairy of Guntur district, third biggest one in India is selected as sample of the study. The findings of this study no doubt will automatically be applicable to most of the dairy units in the country.

**Period of the Study:**

The study covers a period of ten years from 1993-94 to 2002-03. A ten years period is thought fit to study in depth on the unit and suggest ways for its further growth and working.

**Sources of data:**

For any useful research work data are required. They will be collected either from primary source or from secondary source or both. In this research work, the researcher collected secondary data from Sangam Dairy and other related sources. He collected data from different websites relating to dairy industry in India. He also gathered information regarding the dairy after consulting some of the employees working in the dairy in all three levels. The secondary data are further obtained form the annual reports
and financial statements of the Sangam Dairy for the period of the study. Published works relevant to dairy industry are used in this study. Books and periodicals related to the study are also used. NDDB Publications, News Papers, Magazines and Government Publications on the animal husbandry are used for the study. The researcher Visited university library and collected data from relevant journals. The following statistical techniques are used to analyze the data:

1. Ratio analysis.
2. Funds flow analysis.
3. Time Series.
4. Averages.

**Limitations of the Study:**

Present study is for ten years. The limitations of the year immediately preceding and immediately following will have an effect on the study. The limitations of statistical techniques used in the research will automatically become the limitations of the study. Generally the respondents may not reveal the full facts to the researcher. It is rightly said, “Sky is the limit”. This quotation means that there is limit of each and every thing exists in nature. Sangam Dairy is a Co-operative milk dairy. All the limitations of co-operative Societies become the limitations of the study. However, the researcher tried his best to bring the study and the results with the little limitations through taking every care in collection and analysis of the data and through impartial judgments.